

# Appendix

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21  
22 **UNITED STATES DISTRICT COURT**  
23 **CENTRAL DISTRICT OF CALIFORNIA, SOUTHERN DIVISION**

24 In re: Shimano Crankset Litigation

25 Case No.: 8:23-cv-02038-JVS(JDEx)

26 **SECOND AMENDED**  
27 **CONSOLIDATED CLASS**  
28 **ACTION COMPLAINT**

**JURY TRIAL DEMANDED**

Judge: Hon. James V. Selna

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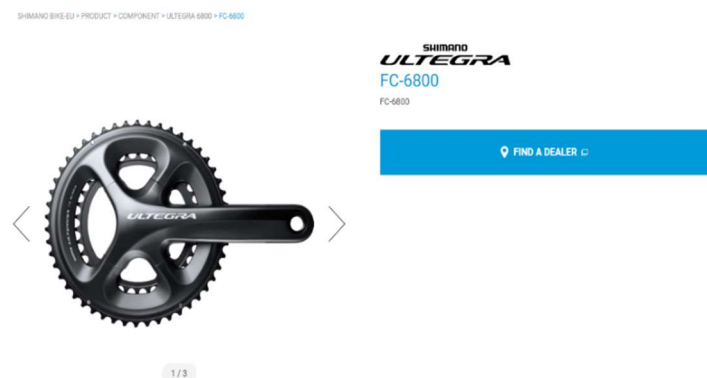
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## **SECOND AMENDED CONSOLIDATED CLASS ACTION COMPLAINT<sup>1</sup>**

Plaintiffs Steven Adelman, John Bongiovanni, Jose Delgado, Jose Erazo, Dave Gonyer, Jarett Hawkins, Christopher Jennings, Moussa Kouyate, Marcus Lewis, Kevin Litam, Maurice Scorsolini, Dimitri Semizarov, ~~Brian Sielski~~, and Mike Tirado (collectively, “Plaintiffs”), individually and on behalf of all others similarly situated, bring this Amended Consolidated Class Action Complaint against Defendants Shimano North America Bicycle Inc. and Shimano North America Holding Inc. (together, “Shimano”), Specialized Bicycle Components Inc. (“Specialized”), Trek Bicycle Corporation (“Trek”), and Giant Bicycle, Inc. (“Giant”) (together, the “Bicycle Manufacturer Defendants,” and with Shimano, “Defendants”), and upon personal knowledge as to Plaintiffs’ own conduct, and on information and belief as to all other matters based on an investigation by counsel, allege as follows:

### **INTRODUCTION**

1. People trust and rely on manufacturers of bicycles and bicycle components to make safe products that do not give rise to a clear danger of personal injury. A “crankset” is the component of the bicycle that the chain and pedals attach to for pedaling. An example of ~~the~~ a crankset from Shimano’s website is included



<sup>1</sup> ~~Consistent with the Court’s Procedures, a redline version of this amended complaint, showing additions to and deletions from the prior complaint, is attached as an Appendix.~~ Plaintiffs file this Second Amended Complaint pursuant to the terms of the Settlement Agreement.



below.

2. The crankset is critical to the functionality of a bicycle because without it the bicycle cannot be pedaled. The crankset is also critical to the safety of the bicycle because if it breaks while the bicycle is being ridden, the operator of the bicycle can fall off the bicycle or lose control and crash – concerns which are particularly applicable to modern “road” bicycles that are often ridden at high speed, near motor vehicles, with the operator’s feet clipped into the pedals attached to the end of the crank arms.

3. This case concerns certain “Hollowtech” 11-speed road cranksets (as defined below, the “Defective Cranksets”) sold and distributed by Shimano and equipped on bicycles manufactured and sold by the Bicycle Manufacturer Defendants. “Class Bicycles” refers to all bicycles sold by the Bicycle Manufacturer Defendants that came equipped with a Defective Crankset.

4. The Defective Cranksets share a common, uniform defect: the bonded crank parts can separate and break, posing a crash hazard to consumers. Examples of cranksets with certain bonded crank parts separated are pictured below.



5. As a result of the common defect, instead of functioning as intended and as consumers expect, the Defective Cranksets can separate while the bicycle is in operation, causing crashes and significant personal injuries.



6. The serious danger posed by the Defective Cranksets was not disclosed to consumers until September 21, 2023, when, after years of denials, Shimano finally acknowledged the widespread issue with the Defective Cranksets and issued a recall.

7. Even though Shimano has finally acknowledged the widespread issue, it is working hard to limit the cost of fixing the issue at the expense of consumers. Rather than issuing refunds or replacements for all of the Defective Cranksets, Shimano has taken the unconscionable position that only “[c]onsumers whose cranksets show signs of bonding separation or delamination during [an] inspection will be provided a free replacement crankset . . . that the dealer will professionally

1 install.”

2 8. This proposed remedy is a nightmare for riders and bike shops. Owners  
3 are left without usable bicycles while they get in line with hundreds of thousands of  
4 other impacted cyclists to schedule and await an inspection. When the inspection  
5 finally happens, a local bicycle mechanic is tasked with making a complex  
6 engineering judgment to determine whether the crankset shows sufficient  
7 deterioration to merit replacement. Worse, those consumers whose Defective  
8 Cranksets are judged not to warrant immediate replacement – *i.e.*, those consumers  
9 whose cranksets do not “show signs of bonding separation or delamination during  
10 the inspection” – are left in the frightening position of having to continue riding a  
11 dangerous bicycle, waiting on their cranksets to separate and potentially cause a  
12 crash before Shimano will give them a new one.

13 9. As a result of the undisclosed “Crankset Defect,” Plaintiffs and the  
14 other members of the proposed Classes (defined below) (collectively, the “Class”)  
15 were harmed and suffered actual damages.

16 10. The Defective Cranksets were sold at bicycle stores for between \$270  
17 and \$1,500 and also as a standard component on Class Bicycles sold by the Bicycle  
18 Manufacturer Defendants for many thousands of dollars. The Crankset Defect  
19 significantly diminishes the value of the Defective Cranksets and the Class Bicycles  
20 on which they were installed.

21 11. Further, Plaintiffs and the other Class Members did not receive the  
22 benefit of their bargain; rather, they purchased cranksets and bicycles that are of a  
23 lesser standard, grade, and quality than represented, and they did not receive  
24 cranksets and bicycles that met ordinary and reasonable consumer expectations  
25 regarding safe and reliable operation. Purchasers of Defective Cranksets or Class  
26 Bicycles paid more than they would have had the crankset defect been disclosed.  
27 Plaintiffs and the other Class Members were deprived of having a safe, defect-free  
28

1 crankset installed on their bicycles, and Defendants unjustly benefited from the sale  
2 of these products and from the unconscionable limitations on the recall remedy now  
3 offered.

4 12. Plaintiffs and the other Class Members also suffered damages in the  
5 form of out-of-pocket and loss-of-use expenses and costs, and, as a direct result of  
6 the deficient recall remedy, have out-of-pocket economic damage by virtue of their  
7 having incurred the expense of taking the time to bring their bicycle in for the  
8 mandated inspection.

### 9 PARTIES

10 13. Plaintiff Steven Adelman (“Mr. Adelman”) was, at all times relevant to  
11 this matter, a resident of Plainview, New York. Mr. Adelman purchased a new  
12 Bianchi Infinito CV Disc Ultegra DI2 (“Bianchi”) bicycle from Bicycle Playground  
13 in May 2018 for approximately \$5,600. The bicycle was equipped with a Shimano  
14 Ultegra FC-R-8000 crankset with the production code “PF.” Through his exposure  
15 to Bianchi’s and Shimano’s advertisements, promotional materials, and other public  
16 statements, Adelman was aware of Bianchi’s and Shimano’s pervasive marketing  
17 messages that their bicycle products are high-quality and dependable, which was  
18 material to his decision to purchase the Class Bicycle. When Adelman acquired the  
19 Class Bicycle, he believed, based on Bianchi’s and Shimano’s pervasive marketing  
20 message, that he was purchasing a safe, high-quality, and dependable bicycle, one  
21 that is safer and more reliable than a bicycle that is not so marketed. At no point  
22 before Adelman purchased his Class Bicycle did Bianchi or Shimano disclose that it  
23 was not safe or dependable, or that it was equipped with a Defective Crankset. Had  
24 Defendants disclosed the defect, Adelman would have heard, seen, and been aware  
25 of it (and, indeed, Adelman became aware of the defect shortly after it was finally  
26 disclosed by Shimano in September 2023). Adelman had no way of knowing when  
27 he purchased his Class Bicycle that it contained a Defective Crankset and only  
28

1 recently learned of the presence of the Crankset Defect in his Class Bicycle in  
2 September 2023, shortly before commencing his lawsuit. To Adelman's knowledge,  
3 the Defective Crankset in his Class Bicycle has not been repaired or replaced, and is  
4 not presently eligible for replacement under Shimano's limited recall. The value of  
5 Plaintiff's Class Bicycle has been diminished as a result of the Crankset Defect. If  
6 Plaintiff had known about the Crankset Defect, he either would have not purchased  
7 the Class Bicycle, or would have paid less to do so. Plaintiff would purchase bicycle  
8 products from Bianchi or Shimano in the future if Defendants' representations with  
9 respect to the safety, quality, and durability of those products were accurate.

10 14. Plaintiff John Bongiovanni ("Mr. Bongiovanni") was, at all times  
11 relevant to this matter, a resident of Chiefland, Florida. Mr. Bongiovanni purchased  
12 a new Trek Speed Concept equipped with a Shimano Ultegra FC-R8000 crankset  
13 with the production code "QB" in October 2021. Bongiovanni's Class Bicycle and  
14 Shimano Ultegra FC-R8000 crankset were covered by written warranties.  
15 Bongiovanni purchased the Class Bicycle in Tallahassee, FL for approximately  
16 \$3,100. Through his exposure to Trek's and Shimano's advertisements, promotional  
17 materials and other public statements, Bongiovanni was aware of Trek's and  
18 Shimano's pervasive marketing messages that their bicycle products were high-  
19 quality and dependable, which was material to his decision to purchase the Class  
20 Bicycle. When Bongiovanni acquired the Class Bicycle, he believed, based on  
21 Trek's and Shimano's pervasive marketing messages, that he was purchasing a safe  
22 and dependable bicycle with a safe and dependable crankset—one that is higher-  
23 quality and more reliable than a crankset that is not marketed as high-quality and  
24 dependable. At no point before Bongiovanni purchased his Class Bicycle equipped  
25 with a Shimano Ultegra FC-R8000 crankset did Trek or Shimano disclose that it was  
26 not high-quality or dependable, or that the crankset on the bicycle had a defect that  
27 made it susceptible to delamination and breaking. Had Trek or Shimano disclosed  
28



1 the defect, Bongiovanni would have heard, seen, and been aware of it (and, indeed,  
2 Bongiovanni became aware of the defect shortly after Shimano years later disclosed  
3 it in September 2023). Bongiovanni had no way of knowing when he purchased his  
4 Class Bicycle equipped with a Shimano Ultegra FC-R8000 crankset that it was  
5 defective and only recently learned of the presence of the defect in September 2023,  
6 shortly before commencing his lawsuit. If Bongiovanni had known about the defect,  
7 he either would have not purchased the Class Bicycle equipped with a Shimano  
8 Ultegra FC-R8000 crankset, or he would have paid less to do so. Bongiovanni would  
9 purchase Trek and Shimano bicycle products in the future if Trek's and Shimano's  
10 representations about their products, including with respect to their safety, quality  
11 and durability, were accurate.

12 15. Plaintiff Jose Delgado ("Mr. Delgado") was, at all times relevant to this  
13 matter, a resident of Bell, California. In approximately April 2017, Mr. Delgado  
14 purchased a new Shimano Dura-Ace FC-9000 crankset with the production code  
15 "OF." On September 7, 2023, Mr. Delgado purchased a new Shimano Dura-Ace FC-  
16 R9100 crankset with the production code "RA." Through his exposure to Shimano's  
17 advertisements, promotional materials, and other public statements, Delgado was  
18 aware of Shimano's pervasive marketing messages that their bicycle products are  
19 high-quality and dependable, which was material to his decision to purchase the  
20 Shimano cranksets. When Delgado acquired the Shimano cranksets, he believed,  
21 based on Shimano's pervasive marketing message, that he was purchasing safe,  
22 high-quality, and dependable cranksets, that are safer and more reliable than  
23 cranksets that are not so marketed. At no point before Delgado purchased his  
24 Shimano cranksets did Shimano disclose that they were not safe or dependable, or  
25 that they were Defective. Had Defendants disclosed the defect, Delgado would have  
26 heard, seen, and been aware of it (and, indeed, Delgado became aware of the defect  
27 shortly after it was finally disclosed by Shimano in September 2023). Delgado had  
28

1 no way of knowing when he purchased his Shimano cranksets that they contained a  
2 Defect and only recently learned of the presence of the Crankset Defect in September  
3 2023, shortly before commencing his lawsuit. To Delgado's knowledge, the  
4 Defective Cranksets have not been repaired or replaced, and are not presently  
5 eligible for replacement under Shimano's limited recall. The value of Plaintiff's  
6 Shimano cranksets has been diminished as a result of the Crankset Defect. If Plaintiff  
7 had known about the Crankset Defect, he either would have not purchased the  
8 Shimano cranksets, or would have paid less to do so. Plaintiff would purchase  
9 bicycle products from Shimano in the future if Defendants' representations with  
10 respect to the safety, quality, and durability of those products were accurate.

11 16. Plaintiff Jose Erazo ("Mr. Erazo") was, at all times relevant to this  
12 matter, a resident of the State of California, residing in Fontana. Mr. Erazo purchased  
13 a new Trek Emonda SL 7 Disc 52 BK-BL equipped with a Shimano Ultegra FC  
14 R8000 crankset with the production code "RD" in January 2020. Mr. Erazo  
15 purchased the Class Bicycle from a Trek Bicycle Superstore in San Marcos,  
16 California. Mr. Erazo's Class Bicycle and defective Shimano Ultegra FC-R8000  
17 crankset were covered by written warranties. Through his exposure to Trek's and  
18 Shimano's advertisements, promotional materials, and other public statements, Mr.  
19 Erazo was aware of Trek's and Shimano's pervasive marketing messages that their  
20 bicycles and bicycle products were safe, high-quality, durable, and dependable,  
21 which was material to his decision to purchase the Class Bicycle. When Mr. Erazo  
22 acquired the Class Bicycle, he believed, based on Trek's and Shimano's pervasive  
23 marketing messages, that he was purchasing a safe, high-quality, durable, and  
24 dependable bicycle with a safe, high-quality, durable, and dependable crankset – one  
25 that is safer, higher-quality, more durable, and more dependable than a crankset that  
26 is not marketed as safe, high-quality, durable, and dependable. At no point before  
27 Mr. Erazo purchased his Class Bicycle equipped with a defective Shimano Ultegra  
28

1 FC-R8000 crankset did Trek or Shimano disclose that the crankset was not safe,  
2 high-quality, durable, and dependable, or that the crankset on the bicycle had a defect  
3 that made it susceptible to delamination and breaking. Had Trek or Shimano  
4 disclosed the Crankset Defect, Mr. Erazo would have heard, seen, and been aware  
5 of it (and, indeed, Mr. Erazo became aware of the defect shortly after Shimano, years  
6 later, disclosed it in September 2023). On or around September 22, 2023, shortly  
7 after the recall, Mr. Erazo inquired with Trek whether his Shimano Ultegra FC-  
8 R8000 crankset was eligible for replacement through the recall. The Trek  
9 representative advised Mr. Erazo that his crankset did not qualify because the  
10 crankset had not yet failed. Thus, Mr. Erazo is left with a dangerous Defective  
11 Crankset and he is forced to either continue riding a dangerous bicycle equipped  
12 with a Defective Crankset—risking a crash or personal injury—or choose to pay, out  
13 of pocket, to replace the Defective Crankset. Mr. Erazo had no way of knowing when  
14 he purchased his Class Bicycle equipped with a defective Shimano Ultegra FC-  
15 R8000 crankset that it was defective and only recently learned of the presence of the  
16 Defective Crankset in his Class Bicycle in September 2023, shortly before  
17 commencing his lawsuit. The value of Mr. Erazo’s bicycle has been diminished as a  
18 result of the Crankset Defect. If Mr. Erazo had known about the Crankset Defect, he  
19 either would have not purchased the Class Bicycle equipped with a Shimano Ultegra  
20 FC-R8000 crankset, or would have paid less to do so. At a minimum, Mr. Erazo paid  
21 a price premium for the Class Bicycles and Defective Cranksets based on Trek’s and  
22 Shimano’s omission and concealment of the safety defect. Mr. Erazo would purchase  
23 Trek and Shimano bicycle products in the future if Trek’s and Shimano’s  
24 representations about their products, including with respect to their safety, quality,  
25 and durability, were accurate.

26 17. Plaintiff Dave Gonyer (“Mr. Gonyer”) was, at all times relevant to this  
27 matter, a resident of Cardiff, California. In August 2019, Mr. Gonyer purchased a  
28



1 new Shimano Dura-Ace FC-R9100 crankset, with the production code “PL,”  
2 from www.competitivecyclist.com. Mr. Gonyer’s Shimano Dura-Ace FC-R9100  
3 crankset was covered by a written warranty. Through his exposure to Shimano’s  
4 advertisements, promotional materials, and other public statements, Mr. Gonyer was  
5 aware of Shimano’s pervasive marketing messages that their bicycle products were  
6 safe, high-quality, durable, and dependable, which was material to his decision to  
7 purchase the Shimano Dura-Ace FC-R9100 crankset. When Mr. Gonyer purchased  
8 the Shimano Dura-Ace FC-R9100 crankset in August 2019, he believed, based on  
9 Shimano’s pervasive marketing messages, that he was purchasing a safe, high-  
10 quality, durable, and dependable crankset – one that is safer, higher-quality, more  
11 durable, and more dependable than a crankset that is not marketed as safe, high-  
12 quality, durable, and dependable. At no point before Mr. Gonyer purchased his  
13 Shimano Dura-Ace FC-R9100 crankset did Shimano disclose that it was not safe,  
14 high-quality, durable, and dependable, or that the crankset had a defect that made it  
15 susceptible to delamination and breaking. Upon information and belief, had Shimano  
16 disclosed the defect, Mr. Gonyer would have heard, seen, and been aware of it (and,  
17 indeed, Mr. Gonyer became aware of the defect shortly after Shimano disclosed it in  
18 September 2023). After Shimano disclosed the defect, Mr. Gonyer took his Shimano  
19 Dura-Ace FC-R9100 crankset in for inspection as part of Shimano’s recall, but Mr.  
20 Gonyer was denied a replacement crankset. Thus, Mr. Gonyer is forced to either  
21 continue riding a bicycle equipped with a defective crankset—risking a crash or  
22 personal injury—or choose to pay, out of pocket, to replace the defective crankset.  
23 Mr. Gonyer had no way of knowing when he purchased his Shimano Dura-Ace FC-  
24 R9100 crankset that it was defective and only recently learned of the presence of the  
25 defect in September 2023. The value of Mr. Gonyer’s bicycle and crankset have been  
26 diminished as a result of the crankset defect. If Mr. Gonyer had known about the  
27 defect, he either would have not purchased the Shimano Dura-Ace FC-R9100  
28

1 crankset, or he would have paid less to do so. At a minimum, Mr. Gonyer paid a  
2 price premium for the defective crankset based on Shimano's omission and  
3 concealment of the safety defect. Mr. Gonyer would purchase Shimano bicycle  
4 products in the future if Shimano's representations about its products, including with  
5 respect to their safety, quality and durability, were accurate.

6 18. Plaintiff Jarett Hawkins was, at all times relevant to this matter, a  
7 resident of the State of California, residing in Solana Beach. Mr. Hawkins purchased  
8 a new Specialized Tarmac SL 6 Comp Edition equipped with a Shimano Ultegra  
9 FC-R8000 on or about July 16, 2020, making it part of Shimano's recall, from a  
10 bicycle shop in Encinitas, California. Mr. Hawkins' Class Bicycle and defective  
11 Shimano Ultegra FC-8000 crankset were covered by written warranties. Prior to  
12 purchasing his Class Bicycle, Mr. Hawkins conducted online research about  
13 Specialized, the bikes it sells, and the features he wanted included for his bike. Mr.  
14 Hawkins reviewed the Specialized website, including the page for the Class Bicycle  
15 he eventually purchased, several times before purchasing his Class Bicycle at a  
16 brick-and-mortar retailer where he saw a fact tag that listed the name, size and price  
17 of the Class Bicycle. Plaintiff saw the list of specs for his Class Bicycle and other  
18 promotional and marketing information on the Specialized website. Plaintiff also  
19 visited the Shimano website and viewed the information provided by Shimano about  
20 the defective Shimano Ultegra FC-R8000 crankset that came originally equipped on  
21 his Class Bicycle, including the attributes of the crankset. Through his exposure to  
22 Specialized's and Shimano's advertisements, promotional materials, and other  
23 public statements, Mr. Hawkins was aware of Specialized's and Shimano's  
24 pervasive marketing messages that their bicycles and bicycle products were safe,  
25 high-quality, durable, and dependable, which was material to his decision to  
26 purchase the Class Bicycle. When Mr. Hawkins acquired the Class Bicycle, he  
27 believed, based on Specialized's and Shimano's pervasive marketing messages, that  
28

1 he was purchasing a safe, high-quality, durable, and dependable bicycle with a safe  
2 and dependable crankset – one that is safer, higher-quality, more durable, and more  
3 dependable than a crankset that is not marketed as safe, high-quality, durable, and  
4 dependable. At no point before Mr. Hawkins purchased his Class Bicycle equipped  
5 with a defective Shimano Ultegra FC-R8000 crankset did Specialized or Shimano  
6 disclose that the crankset was not safe, high-quality, durable, and dependable, or that  
7 the crankset on the bicycle had a defect that made it susceptible to delamination and  
8 breaking. As a reasonable consumer, Mr. Hawkins believed that information  
9 regarding critical safety defects, like the substantial risk of physical injury due to  
10 sudden separation and failure of the Defective Crankset, would have been  
11 prominently disclosed by the manufacturer on the packing and online listings, and  
12 would have been disclosed by third-party retail sellers at the direction of Specialized  
13 and Shimano. Because no such risk was disclosed, let alone prominently on  
14 packaging or other advertising, Mr. Hawkins understood that the Class Bicycle and  
15 Defective Crankset were safe under ordinary use. Mr. Hawkins relied on  
16 Specialized's and Shimano's representations and omissions in purchasing the Class  
17 Bicycle and Defective Crankset. Had Specialized or Shimano disclosed the Crankset  
18 Defect, Mr. Hawkins would have heard, seen, and been aware of it (and, indeed, Mr.  
19 Hawkins became aware of the defect shortly after Shimano, years later, disclosed it  
20 in September 2023). While riding his bicycle, Plaintiff's Shimano Crankset broke  
21 mid-ride. Plaintiff notified Shimano and submitted a warranty claim for the defective  
22 Crankset. On April 4, 2022, Shimano replaced the defective Crankset with the exact  
23 same Crankset that, on information and belief, continues to be defective and is  
24 substantially certain to fail for the reasons above. Thus, Mr. Hawkins is left with a  
25 dangerous Defective Crankset and he is forced to either continue riding a dangerous  
26 bicycle equipped with a Defective Crankset—risking a crash or personal injury—or  
27 choose to pay, out of pocket, to replace the Defective Crankset. Mr. Hawkins had no  
28

1 way of knowing when he purchased his Class Bicycle equipped with a defective  
2 Shimano Ultegra FC-R8000 crankset that it was defective and only recently learned  
3 of the presence of the defective crankset in his Class Bicycle in September 2023,  
4 shortly before commencing his lawsuit. The value of Mr. Hawkins' bicycle has been  
5 diminished as a result of the Crankset Defect. If Mr. Hawkins had known about the  
6 defect, he either would have not purchased the Class Bicycle equipped with a  
7 Shimano Ultegra FC-R8000 crankset, or he would have paid less to do so. At a  
8 minimum, Mr. Hawkins paid a price premium for the Class Bicycles and Defective  
9 Cranksets based on Specialized's and Shimano's omission and concealment of the  
10 safety defect. Mr. Hawkins would purchase Trek and Shimano bicycle products in  
11 the future if Trek's and Shimano's representations about their products, including  
12 with respect to their safety, quality, and durability, were accurate.

13 19. Plaintiff Chris Jennings is currently a resident of the State of Texas. Mr.  
14 Jennings purchased a Shimano Ultegra R8000 Groupset, while living in California,  
15 that included a Shimano Ultegra FC-R8000 Crankset with the production on or about  
16 July 30, 2019, making it part of Shimano's recall, from merlincycles.com. The  
17 crankset was shipped to his home, then in Irvine, California. Mr. Jennings's  
18 defective Shimano Ultegra R8000 crankset was covered by a written warranty. On  
19 information and belief, because Mr. Jennings purchased the Shimano Ultegra R8000  
20 crankset during the time period covered by the recall, it is a Defective Crankset. Prior  
21 to purchasing this Defective Crankset, Mr. Jennings visited the Shimano website and  
22 viewed its specifications. He was aware of and relied on the representations made  
23 on the Shimano listing in purchasing his Defective Crankset. Through his exposure  
24 to Shimano's advertisements, promotional materials, and other public statements,  
25 Mr. Jennings was aware of Shimano's pervasive marketing messages that its bicycle  
26 products were safe, high-quality, durable, and dependable, which was material to his  
27 decision to purchase the Defective Crankset. When Mr. Jennings acquired the  
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1 Defective Crankset, he believed, based on Shimano's pervasive marketing messages,  
2 that he was purchasing a safe and dependable crankset – one that is safer, higher-  
3 quality, more durable, and more dependable than a crankset that is not marketed as  
4 safe, high-quality, durable, and dependable. At no point before Mr. Jennings  
5 purchased his Defective Crankset did Shimano disclose that the crankset was not  
6 safe, high-quality, durable, and dependable, or that the crankset had a defect that  
7 made it susceptible to delamination and breaking. As a reasonable consumer, Mr.  
8 Jennings believed that information regarding critical safety defects, like the  
9 substantial risk of physical injury due to sudden separation and failure of the  
10 Defective Crankset, would have been prominently disclosed by the manufacturer on  
11 the packing and online listings, and would have been disclosed by third-party retail  
12 sellers at the direction of Shimano. Because no such risk was disclosed, let alone  
13 prominently on packaging or other advertising, Mr. Jennings understood that the  
14 Defective Crankset was safe under ordinary use. Mr. Jennings relied on Shimano's  
15 representations and omissions in purchasing the Defective Crankset. Had Shimano  
16 disclosed the Crankset Defect, Mr. Jennings would have heard, seen, and been aware  
17 of it (and, indeed, Mr. Jennings became aware of the defect shortly after Shimano,  
18 years later, disclosed it in September 2023). Mr. Jennings had no way of knowing  
19 when he purchased his Defective Crankset that it was defective and only recently  
20 learned of the Crankset Defect in September 2023, shortly before commencing his  
21 lawsuit. The value of Mr. Jennings's Ultegra R8000 crankset has been diminished  
22 as a result of the Crankset Defect. If Mr. Jennings had known about the defect, he  
23 either would have not purchased the Ultegra R8000 crankset or would have paid less  
24 to do so. At a minimum, Mr. Jennings paid a price premium for the Defective  
25 Crankset based on Shimano's omission and concealment of the safety defect. Mr.  
26 Jennings would purchase Shimano bicycle products in the future if Shimano's  
27 representations about its products, including with respect to their safety, quality, and  
28

1 durability, were accurate.

2       20. Plaintiff Moussa Kouyate was, at all times relevant to this matter, a  
3 resident of the State of New York. Mr. Kouyate purchased a new Mongoose Flatrock  
4 Hardtail mountain bicycle that came equipped with a Shimano Dura-Ace FC-R9100  
5 with the production code “LG.” Mr. Kouyate purchased the Class Bicycle from  
6 Daniel’s Bike Shop in The Bronx, New York in May 2023. Mr. Kouyate’s Class  
7 Bicycle and defective Shimano Dura-Ace FC-R9100 crankset were covered by  
8 written warranties. Through his exposure to Mongoose and Shimano’s  
9 advertisements, promotional materials, and other public statements, Mr. Kouyate  
10 was aware of Mongoose and Shimano’s pervasive marketing messages that their  
11 bicycles and bicycle products were safe, high-quality, durable, and dependable,  
12 which was material to his decision to purchase the Class Bicycle. When Mr. Kouyate  
13 purchased his Class Bicycle in May 2023, he believed, based on Mongoose and  
14 Shimano’s pervasive marketing messages, that he was purchasing a safe, high-  
15 quality, durable, and dependable bicycle with a safe, high-quality, durable, and  
16 dependable crankset – one that is safer, higher-quality, more durable, and more  
17 dependable than one that is not marketed as safe, high-quality, durable, and  
18 dependable. At no point before Mr. Kouyate purchased his Class Bicycle equipped  
19 with a defective Shimano Dura-Ace FC-R9100 crankset did Mongoose or Shimano  
20 disclose that it was not safe, high-quality, durable, and dependable, or that the  
21 crankset on the bicycle had a defect that made it susceptible to delamination and  
22 breaking. Had Mongoose or Shimano disclosed the defect, Mr. Kouyate would have  
23 heard, seen, and been aware of it (and, indeed, Mr. Kouyate became aware of the  
24 defect shortly after Shimano disclosed it in September 2023). Specifically, Mr.  
25 Kouyate became aware of the defect when his Shimano crankset broke while he was  
26 riding his bicycle in October 2023. He had the Shimano crankset replaced in or  
27 around November 2023. Thus, Mr. Kouyate was left with a dangerous Defective  
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1 Crankset, and he was forced to either continue riding a dangerous bicycle equipped  
2 with a Defective Crankset—risking a crash or personal injury—or to pay out of  
3 pocket to replace the Defective Crankset. Mr. Kouyate had no way of knowing when  
4 he purchased his Class Bicycle equipped with a defective Shimano Dura-Ace FC-  
5 R9100 crankset that it was defective and only recently learned of the presence of the  
6 defect in September 2023, shortly before commencing his lawsuit. The value of Mr.  
7 Kouyate’s bicycle has been diminished as a result of the Crankset Defect. If Mr.  
8 Kouyate had known about the defect, he either would have not purchased the Class  
9 Bicycle equipped with a defective Shimano Dura-Ace FC-R9100 crankset, or he  
10 would have paid less to do so. At a minimum, Mr. Kouyate paid a price premium for  
11 the Class Bicycles and Defective Cranksets based on Mongoose and Shimano’s  
12 omission and concealment of the safety defect. Mr. Kouyate would purchase  
13 Mongoose and Shimano bicycle products in the future if Mongoose and Shimano’s  
14 representations about their products, including with respect to their safety, quality,  
15 and durability, were accurate.

16 21. Plaintiff Marcus Lewis was, at all times relevant to this matter, a  
17 resident of the State of Illinois, residing in Chicago. Mr. Lewis purchased a new  
18 Specialized Tarmac Disk Comp SL6 bicycle that came equipped with a Shimano  
19 Ultegra FC-R8000 crankset with the production code “QD.” Mr. Lewis purchased  
20 the Class Bicycle from Kozy Inc. in Chicago, Illinois for over \$2,500. Mr. Lewis  
21 placed the Class Bicycle on layaway with Kozy Inc. in September 2019 and  
22 completed the purchase and first took possession of the Class Bicycle in March 2023.  
23 Mr. Lewis’s Class Bicycle and defective Shimano Ultegra FC-R8000 crankset were  
24 covered by written warranties. Through his exposure to Specialized’s and Shimano’s  
25 advertisements, promotional materials, and other public statements, Mr. Lewis was  
26 aware of Specialized’s and Shimano’s pervasive marketing messages that their  
27 bicycles and bicycle products were safe, high-quality, durable, and dependable,  
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1 which was material to his decision to purchase the Class Bicycle. When Mr. Lewis  
2 placed the Class Bicycle on layaway in September 2019, and when he completed the  
3 purchase and first took possession of the Class Bicycle in March 2023, he believed,  
4 based on Specialized's and Shimano's pervasive marketing messages, that he was  
5 purchasing a safe, high-quality, durable, and dependable bicycle with a safe, high-  
6 quality, durable, and dependable crankset – one that is safer, higher-quality, more  
7 durable, and more dependable than a crankset that is not marketed as safe, high-  
8 quality, durable, and dependable. At no point before Mr. Lewis purchased his Class  
9 Bicycle equipped with a defective Shimano Ultegra FC-R8000 crankset did  
10 Specialized or Shimano disclose that it was not safe, high-quality, durable, and  
11 dependable, or that the crankset on the bicycle had a defect that made it susceptible  
12 to delamination and breaking. Had Specialized or Shimano disclosed the defect, Mr.  
13 Lewis would have heard, seen, and been aware of it (and, indeed, Mr. Lewis became  
14 aware of the defect shortly after Shimano disclosed it in September 2023). After  
15 Shimano disclosed the defect, Mr. Lewis took his Shimano Ultegra FC-R8000  
16 crankset in for inspection as part of Shimano's recall, but Mr. Lewis was denied a  
17 replacement crankset. Thus, Mr. Lewis is left with a dangerous Defective Crankset  
18 and he is forced to either continue riding a dangerous bicycle equipped with a  
19 Defective Crankset—risking a crash or personal injury—or choose to pay, out of  
20 pocket, to replace the Defective Crankset. Mr. Lewis had no way of knowing when  
21 he purchased his Class Bicycle equipped with a defective Shimano Ultegra FC-  
22 R8000 crankset that it was defective and only recently learned of the presence of the  
23 defect in September 2023, shortly before commencing his lawsuit. The value of Mr.  
24 Lewis's bicycle has been diminished as a result of the Crankset Defect. If Mr. Lewis  
25 had known about the defect, he either would have not purchased the Class Bicycle  
26 equipped with a defective Shimano Ultegra R-8000 crankset, or would have paid  
27 less to do so. At a minimum, Mr. Lewis paid a price premium for the Class Bicycles  
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1 and Defective Cranksets based on Specialized's and Shimano's omission and  
2 concealment of the safety defect. Mr. Lewis would purchase Specialized and  
3 Shimano bicycle products in the future if Specialized's and Shimano's  
4 representations about their products, including with respect to their safety, quality,  
5 and durability, were accurate.

6       22. Plaintiff Kevin Litam was, at all times relevant to this matter, a resident  
7 of the State of California, residing in Glendale. Mr. Litam purchased a new BMC  
8 Roadmachine SLR03 bicycle that came equipped with a Shimano Ultegra FC-6800  
9 crankset with the production code "NL." Mr. Litam purchased the bicycle from Velo  
10 Pasadena Inc. in Pasadena, California for approximately \$2,800. Mr. Litam's Class  
11 Bicycle and Shimano defective Ultegra FC-6800 crankset was covered by a written  
12 warranty. Through his exposure to BMC's and Shimano's advertisements,  
13 promotional materials, and other public statements, Mr. Litam was aware of BMC's  
14 and Shimano's pervasive marketing messages that their bicycles and bicycle  
15 components were safe, high-quality, durable, and dependable, which was material  
16 to his decision to purchase the Class Bicycle. Indeed, Mr. Litam specifically sought  
17 out a bicycle that was equipped with the Shimano Ultegra FC-6800 crankset because  
18 of his understanding that it was a safe, high-quality, durable, and dependable bicycle  
19 component. When Mr. Litam acquired the Class Bicycle, he believed, based on  
20 BMC's and Shimano's pervasive marketing messages, that he was purchasing a safe,  
21 high-quality, durable, and dependable bicycle with a safe, high-quality, durable, and  
22 dependable crankset—one that is safer, higher-quality, more durable, and more  
23 dependable than a bicycle that is not marketed as safe, high-quality, durable, and  
24 dependable. At no point before Mr. Litam purchased his bicycle did BMC or  
25 Shimano disclose that it was not safe, high-quality, durable, and dependable, or that  
26 the crankset on the bicycle had a defect that made it susceptible to delamination and  
27 breaking. Had Defendants disclosed the Crankset Defect, Mr. Litam would have  
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1 heard, seen, and been aware of it (and, indeed, Mr. Litam became aware of the  
2 Shimano recall shortly after Shimano finally announced it in September 2023). After  
3 Shimano disclosed the defect, Mr. Litam took his Shimano Ultegra FC-6800  
4 crankset in for inspection as part of Shimano's recall, but Mr. Litam was denied a  
5 replacement crankset. Mr. Litam had no way of knowing when he purchased his  
6 Class Bicycle equipped with a defective Shimano Ultegra FC-6800 crankset that it  
7 contained a Defective Crankset and only recently learned of the presence of the  
8 defective crankset in his Class Bicycle in September 2023, shortly before  
9 commencing his lawsuit. The value of Mr. Litam's bicycle has been diminished as a  
10 result of the Crankset Defect. If Mr. Litam had known about the Crankset Defect, he  
11 either would have not purchased the Class Bicycle equipped with a Shimano Ultegra  
12 FC-6800 crankset, or he would have paid less to do so. At a minimum, Mr. Litam  
13 paid a price premium for the Class Bicycles and Defective Cranksets based on  
14 BMC's and Shimano's omission and concealment of the safety defect. Mr. Litam  
15 would purchase bicycle products from BMC or Shimano in the future if Defendants'  
16 representations with respect to the safety, quality, and durability of those products  
17 were accurate.

18 23. Plaintiff Maurice Scorsolini was, at all times relevant to this matter, a  
19 resident of the State of Florida, residing in Davenport. Mr. Scorsolini purchased a  
20 Giant Advanced SL bicycle from The Pro's Closet in July 2022, for approximately  
21 \$3,380. The Class Bicycle was equipped with a Shimano Ultegra FC-6800 crankset  
22 with the production code "OC." Mr. Scorsolini's Class Bicycle and defective  
23 Shimano Ultegra FC-6800 crankset were covered by written warranties. Through his  
24 exposure to Giant's and Shimano's advertisements, promotional materials, and other  
25 public statements, Mr. Scorsolini was aware of Giant's and Shimano's pervasive  
26 marketing messages that their bicycle products were safe, high-quality, durable, and  
27 dependable, which was material to his decision to purchase the Class Bicycle. When  
28

1 Mr. Scorsolini acquired the Class Bicycle, he believed, based on Giant's and  
2 Shimano's pervasive marketing message, that he was purchasing a safe, high-  
3 quality, durable, and dependable bicycle with a safe, high-quality, durable and  
4 dependable crankset—one that is safer, higher-quality, more durable, and more  
5 dependable than a bicycle that is not so marketed. At no point before Mr. Scorsolini  
6 purchased his Class Bicycle did Giant or Shimano disclose that it was not safe, high-  
7 quality, durable, and dependable, or that the crankset on the bicycle had a defect that  
8 made it susceptible to delamination and breaking. Had Giant or Shimano disclosed  
9 the defect, Mr. Scorsolini would have heard, seen, and been aware of it (and, indeed,  
10 Mr. Scorsolini became aware of the defect shortly after it was finally disclosed by  
11 Shimano in September 2023). Mr. Scorsolini had no way of knowing when he  
12 purchased his Class Bicycle equipped with a defective Shimano Ultegra FC-6800  
13 crankset that it contained a Defective Crankset and only recently learned of the  
14 presence of the Crankset Defect in his Class Bicycle in September 2023, shortly  
15 before commencing his lawsuit. To Mr. Scorsolini's knowledge, the Defective  
16 Crankset in his Class Bicycle has not been repaired or replaced and is not presently  
17 eligible for replacement under Shimano's limited recall. The value of Plaintiff's  
18 Class Bicycle has been diminished as a result of the Crankset Defect. If Plaintiff had  
19 known about the Crankset Defect, he either would have not purchased the Class  
20 Bicycle, or would have paid less to do so. At a minimum, Mr. Scorsolini paid a price  
21 premium for the Class Bicycles and Defective Cranksets based on Giant's and  
22 Shimano's omission and concealment of the safety defect. Plaintiff would purchase  
23 bicycle products from Giant or Shimano in the future if Defendants' representations  
24 with respect to the safety, quality, and durability of those products were accurate.

25 **24.**—Plaintiff Dimitri Semizarov (“Mr. Semizarov”) was, at all times  
26 relevant to this matter, a resident of Evanston, Illinois. In September 2021, Mr.  
27 Semizarov purchased a new Bianchi bicycle that came equipped with a Shimano  
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1 Dura-Ace FC-R9100P crankset with the production code “QA.” Mr. Semizarov  
2 purchased the bicycle from R&A Cycles in Brooklyn, NY. Mr. Semizarov’s  
3 Shimano Dura-Ace FC-9100P crankset was covered by a written warranty. Through  
4 his exposure to Shimano’s advertisements, promotional materials, and other public  
5 statements, Mr. Semizarov was aware of Shimano’s pervasive marketing messages  
6 that its bicycle products were high-quality and dependable, which was material to  
7 his decision to purchase the bicycle and crankset. When Mr. Semizarov purchased  
8 the bicycle he believed, based on Shimano’s pervasive marketing messages, that he  
9 was purchasing a safe and dependable bicycle with a safe and dependable crankset  
10 – one that is higher-quality and more reliable than a crankset that is not marketed as  
11 high-quality and dependable. At no point before Mr. Semizarov purchased his  
12 bicycle equipped with a Shimano Dura-Ace FC-9100P crankset did Shimano  
13 disclose that the crankset was not high-quality or dependable, or that the crankset  
14 had a defect that made it susceptible to delamination and breaking. Upon information  
15 and belief, had Shimano disclosed the defect, Mr. Semizarov would have heard,  
16 seen, and been aware of it (and, indeed, Mr. Semizarov became aware of the defect  
17 shortly after Shimano disclosed it in September 2023). After Shimano disclosed the  
18 defect, Mr. Semizarov took his Shimano Dura-Ace FC-R9100P crankset in for  
19 inspection as part of Shimano’s recall, but was denied a replacement crankset. The  
20 mechanic that inspected Mr. Semizarov’s bicycle advised Mr. Semizarov that,  
21 although he is not presently eligible for a replacement crankset as part of Shimano’s  
22 recall, Mr. Semizarov should nevertheless consider acquiring a different crankset in  
23 light of the danger that the defect will manifest in the future and cause the Shimano  
24 Dura-Ace FC-9100P crankset to break. Thus, Mr. Semizarov is left in the unenviable  
25 position of either paying out of pocket for a new crankset or continuing to ride a  
26 dangerous bicycle while he waits on the crankset to break and potentially cause a  
27 crash and personal injury. Mr. Semizarov had no way of knowing when he purchased  
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1 his bicycle equipped with a Shimano Dura-Ace FC-9100P crankset that it was  
2 defective and only recently learned of the presence of the defect in September 2023.  
3 If Mr. Semizarov had known about the defect, he either would have not purchased  
4 the bicycle equipped with a Shimano Dura-Ace FC-9100P crankset, or he would  
5 have paid less to do so. Mr. Semizarov would purchase Shimano bicycle products in  
6 the future if Shimano's representations about its products, including with respect to  
7 their safety, quality and durability, were accurate.

8 ~~25.24. Plaintiff Brian Sielski ("Mr. Sielski") was, at all times relevant to this~~  
9 ~~matter, a resident of Chicago, Illinois. In December 2020 Mr. Sielski purchased a~~  
10 ~~new Pinarello Dogma bicycle that came equipped with a Shimano Dura-Ace FC-~~  
11 ~~9000 crankset with the production code "NC." Mr. Sielski purchased the bicycle~~  
12 ~~from Mox Multisport in Chicago, Illinois. Mr. Sielski's Shimano Dura-Ace FC-9000~~  
13 ~~crankset was covered by a written warranty. Through his exposure to Shimano's~~  
14 ~~advertisements, promotional materials, and other public statements, Mr. Sielski was~~  
15 ~~aware of Shimano's pervasive marketing messages that its bicycle products were~~  
16 ~~high-quality and dependable, which was material to his decision to purchase the~~  
17 ~~bicycle. When Mr. Sielski purchased the bicycle he believed, based on Shimano's~~  
18 ~~pervasive marketing messages, that he was purchasing a safe and dependable bicycle~~  
19 ~~with a safe and dependable crankset—one that is higher-quality and more reliable~~  
20 ~~than a crankset that is not marketed as high-quality and dependable. At no point~~  
21 ~~before Mr. Sielski purchased his bicycle equipped with a Shimano Dura-Ace FC-~~  
22 ~~9000 crankset did Shimano disclose that the crankset was not high-quality or~~  
23 ~~dependable, or that the crankset had a defect that made it susceptible to delamination~~  
24 ~~and breaking. Upon information and belief, had Shimano disclosed the defect, Mr.~~  
25 ~~Sielski would have heard, seen, and been aware of it (and, indeed, Mr.~~  
26 ~~Sielski became aware of the defect shortly after Shimano disclosed it in September~~  
27 ~~2023 and only about 4-5 months after purchase). After Shimano disclosed the defect,~~  
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~~Mr. Sielski took his Shimano Dura-Ace FC-R9000 crankset in for inspection as part of Shimano's recall, but, notwithstanding that Mr. Sielski's crankset was making the "creaking" noise reported to be an early indicator of the defect's manifestation about 4-5 months after purchase, Mr. Sielski was denied a replacement crankset. Thus, Mr. Sielski is left in the unenviable position of either paying out of pocket for a new crankset or continuing to ride a dangerous bicycle while he waits on the crankset to break and potentially cause a crash and personal injury. Mr. Sielski had no way of knowing when he purchased his bicycle equipped with a Shimano Dura-Ace FC-9000 crankset that it was defective and only recently learned of the presence of the defect in September 2023. If Mr. Sielski had known about the defect, he either would have not purchased the bicycle equipped with a Shimano Dura-Ace FC-9000 crankset, or would have paid less to do so. Mr. Sielski would purchase Shimano bicycle products in the future if Shimano's representations about its products, including with respect to their safety, quality and durability, were accurate.~~

26.25. Plaintiff Mike Tirado ("Mr. Tirado") was, at all times relevant to this matter, a resident of Casselberry, Florida. Mr. Tirado purchased a new Trek Madone SLR 9 ("Trek") bicycle from David's Worth Cycle in January 2019 for approximately \$9,200. The bicycle was equipped with a Shimano Dura Ace FC-R-9100 crankset with the production code "PB." Through his exposure to Trek's and Shimano's advertisements, promotional materials, and other public statements, Tirado was aware of Trek's and Shimano's pervasive marketing messages that their bicycle products are high-quality and dependable, which was material to his decision to purchase the Class Bicycle. When Tirado acquired the Class Bicycle, he believed, based on Trek's and Shimano's pervasive marketing message, that he was purchasing a safe, high-quality, and dependable bicycle, one that is safer and more reliable than a bicycle that is not so marketed. At no point before Tirado purchased his Class Bicycle did Trek or Shimano disclose that it was not safe or dependable,



1 or that it was equipped with a Defective Crankset. Had Defendants disclosed the  
2 defect, Tirado would have heard, seen, and been aware of it (and, indeed, Tirado  
3 became aware of the defect shortly after it was finally disclosed by Shimano in  
4 September 2023). Tirado had no way of knowing when he purchased his Class  
5 Bicycle that it contained a Defective Crankset and only recently learned of the  
6 presence of the Crankset Defect in his Class Bicycle in September 2023, shortly  
7 before commencing his lawsuit. To Tirado's knowledge, the Defective Crankset in  
8 his Class Bicycle has not been repaired or replaced, and is not presently eligible for  
9 replacement under Shimano's limited recall. The value of Plaintiff's Class Bicycle  
10 has been diminished as a result of the Crankset Defect. If Plaintiff had known about  
11 the Crankset Defect, he either would have not purchased the Class Bicycle, or would  
12 have paid less to do so. Plaintiff would purchase bicycle products from Trek or  
13 Shimano in the future if Defendants' representations with respect to the safety,  
14 quality, and durability of those products were accurate.

15 ~~27.26.~~Mr. Adelman, Mr. Bongiovanni, Mr. Delgado, Mr. Erazo, Mr. Gonyer,  
16 Mr. Hawkins, Mr. Jennings, Mr. Kouyate, Mr. Lewis, Mr. Litam, Mr. Scorsolini,  
17 Mr. Semizarov, ~~Mr. Sielski~~, and Mr. Tirado are collectively referred to as  
18 "Plaintiffs."

19 ~~28.27.~~Defendant Shimano North America Bicycle Inc. (together with  
20 Shimano North America Holding Inc., "Shimano") is a California corporation with  
21 its principal place of business in Irvine, California.

22 ~~29.28.~~Defendant Shimano North America Holding Inc. is a California  
23 corporation with its principal place of business in Irvine, California.

24 ~~30.29.~~Defendant Specialized Bicycle Component Inc. ("Specialized") is a  
25 Delaware corporation with its principal place of business in Morgan Hill, California.

26 ~~31.30.~~Defendant Trek Bicycle Corporation ("Trek") is a Wisconsin  
27 corporation with its principal place of business in Waterloo, Wisconsin.  
28

1 ~~32.31.~~ Defendant Giant Bicycle, Inc. (“Giant”) is a Virginia corporation with  
2 its principal place of business in Newbury Park, California.

3 ~~33.32.~~ Shimano, Specialized, Trek, and Giant are collectively referred to as  
4 “Defendants”).

### 5 **JURISDICTION AND VENUE**

6 ~~34.33.~~ This Court has subject-matter jurisdiction over this action pursuant to  
7 28 U.S.C. §1332(d)(2), as amended by the Class Action Fairness Act of 2005,  
8 because: (a) there are at least 100 class members; (b) the matter in controversy  
9 exceeds \$5 million, exclusive of interest and costs; and (c) at least one plaintiff is a  
10 citizen of a different state than at least one defendant.

11 ~~35.34.~~ This Court has personal jurisdiction over Defendants pursuant to 18  
12 U.S.C. § 1965 because Defendants maintain minimum contacts with this state, and  
13 intentionally avail themselves of the laws of the United States and this state, by  
14 conducting a substantial amount of business in California. Defendants continuously  
15 and systematically place goods into the stream of commerce for distribution in  
16 California, sell the Class Bicycles and Defective Cranksets to individuals in  
17 California, and engage in wholesale of the Class Bicycles and Defective Cranksets  
18 to retailers they know will resell the Class Bicycles and Defective Cranksets at retail  
19 to individuals in California. Because of Defendants’ conduct as alleged in this  
20 lawsuit, the Class Bicycles and Defective Cranksets were sold to and purchased by  
21 individuals in this State.

22 ~~36.35.~~ Venue is proper in this district pursuant to 28 U.S.C. § 1391. A  
23 substantial part of the events or omissions giving rise to the claims herein occurred  
24 in this judicial district.

### 25 **COMMON FACTUAL ALLEGATIONS**

#### 26 **A. The Defective Cranksets and Class Bicycles**

27 ~~37.36.~~ Shimano manufactures, distributes, and sells components,  
28



1 technologies, services, and gears for bicycles, including cranksets. Among the  
2 various bicycle components that Shimano sells are a range of cranksets that include  
3 11-Speed Bonded Hollowtech II Road Cranksets subject to a recall by Shimano on  
4 September 21, 2023, including the following models: Ultegra FC-6800, Dura-Ace  
5 FC-9000, Ultegra FC-R8000, Dura-Ace FC-R9100 and FC-R9100P. The recalled  
6 models were manufactured prior to July 2019 and have printed ‘Ultegra’ or ‘Dura  
7 Ace’ logos on the arm. The affected models have the following two-letter production  
8 code on the backside of the crank arm where the pedals are attached: KF, KG, KH,  
9 KI, KJ, KK, KL, LA, LB, LC, LD, LE, LF, LG, LH, LI, LJ, LK, LL, MA, MB, MC,  
10 MD, ME, MF, MG, MH, MI, MJ, MK, ML, NA, NB, NC, ND, NE, NF, NG, NH,  
11 NI, NJ, NK, NL, OA, OB, OC, OD, OE, OF, OG, OH, OI, OJ, OK, OL, PA, PB, PC,  
12 PD, PE, PF, PG, PH, PI, PJ, PK, PL, QA, QB, QC, QD, QE, QF, QG, QH, QI, QJ,  
13 QK, QL, RA, RB, RC, RD, RE, and RF.<sup>2</sup> These cranksets are collectively referred  
14 to as the “Defective Cranksets.”



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23 ~~38.37.~~ Approximately 680,000 Defective Cranksets were sold for between  
24 \$270 and \$1,500 each at bicycle stores nationwide – both as standalone components  
25 and originally equipped on bicycles sold by companies like Specialized, Trek, and  
26

27 <sup>2</sup> [Shimano Recalls Cranksets for Bicycles Due to Crash Hazard | CPSC.gov](#) (last  
28 visited on December 27, 2023).

1 Giant— from January 2012 through August 2023. The bicycles sold by these  
2 companies that were originally equipped with a Defective Crankset are referred to  
3 collectively as “Class Bicycles.”

4 ~~39.~~38. The Defective Cranksets, as defined above, all suffer from an identical  
5 design defect. As a result of the defect, the Defective Cranksets are unreasonably  
6 likely to break, separate, de-bond, or delaminate during normal use. When the  
7 Defective Crankset separates or delaminates, the bicyclist loses the ability to  
8 properly balance, operate, and propel the bicycle, substantially increasing the risks  
9 of a crash and serious injury.

10 ~~40.~~39. While the Defective Crankset models may differ in weight, price, and  
11 certain specs, the Defective Cranksets all share the same dangerously defective bind,  
12 weld, bond, or material that causes the Defective Cranksets to break, separate, de-  
13 bond or delaminate and fail under normal use.

14 ~~41.~~40. The defect at issue here involves a vital component of a bicycle, and it  
15 is unsafe to operate a bicycle with a crankset that may fail and cause an operator to  
16 lose control. A sturdy and reliable crankset is absolutely critical to the safe operation  
17 of a bicycle because bicyclists apply a range of their weight—from full weight while  
18 standing, to partial weight while pedaling in the seated position—to the crankset, and  
19 bicyclists base their balance on their ability to apply weight to the crankset  
20 consistently and reliably allowing the bicycle to remain upright and operational.  
21 Therefore, consumers cannot safely ride their bicycles, including the Class Bicycles,  
22 with the Defective Cranksets.

23 ~~42.~~41. The industry shows, including Defendants themselves, that alternative,  
24 feasible designs have been available for decades because only some of Defendants’  
25 crankset models fall prey to the inadequately designed weld, bond, bind, or material  
26 used in the Class Bicycles and Defective Cranksets. The inadequately designed Class  
27 Bicycles and Defective Cranksets that are prone to separation and breaking are  
28

1 therefore unsafe to use.

2 ~~43.42.~~ Additionally, consumers reasonably expect that cranksets will be able  
3 to hold their weight and allow the consumer to apply ordinary force to propel the  
4 bicycle. Consumers would not, did not, and could not anticipate that a crankset  
5 specifically designed to bear the weight of the bicyclist applying normal force to  
6 propel the bicycle forward is designed in a manner that causes it to separate and/or  
7 break, and fail under normal riding.

8 ~~44.43.~~ This defect renders the Class Bicycles and Defective Cranksets unfit  
9 for the ordinary purpose for which they were and are intended, which is to be a  
10 weight bearing component designed to withstand the force required to propel a  
11 bicycle forward.

12 ~~45.44.~~ This defect is present in all the Class Bicycles and Defective Cranksets,  
13 as identified in this case, at the time of sale because it is inherent to the design of the  
14 Class Bicycles and Defective Cranksets and is present when the Class Bicycles and  
15 Defective Cranksets come off the assembly line.

16 ~~46.45.~~ Specialized manufactures, distributes, and sells assembled bicycles,  
17 and bicycle components. Among the various bicycles sold by Specialized, are the  
18 Class Bicycles equipped with Defective Cranksets, as identified in a statement by  
19 Specialized, including: “Specialized road bikes [that] were fitted as standard with  
20 11-speed Shimano Ultegra & Dura-Ace crank sets” on “some models of Tarmac,  
21 Roubaix, Venge, Ruby, Amira, Aethos & Shiv” bicycles.<sup>3</sup>

22 ~~47.46.~~ Each of the Class Bicycles sold by Specialized contained a defective  
23

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24 <sup>3</sup> Shimano Voluntary Recall: 11-Speed Bonded HOLLOWTECH II Road Cranksets  
25 Inspection and Replacement Campaign, Specialized, available at  
26 <https://support.specialized.com/home/en/shimano-voluntary-recall-11-speed-bonded-hollowtech-ii-road-cranksets-inspection-and-replacement-campaign#:~:text=and%20Replacement%20Campaign-Shimano%20Voluntary%20Recall%3A%2011%2DSpeed%20Bonded%20HOLLOWTECH%20II%20Road%20Cranksets,HOLLOWTECH%20II%20Road%20Crank%20sets>,  
27 last visited on December 27, 2023.  
28

1 Crankset and, therefore, suffered from the same defects that plague all of the  
2 Defective Cranksets.

3 ~~48.~~47. Trek manufactures, distributes, and sells assembled bicycles, and  
4 bicycle components. Among the various bicycles sold by Trek are the Class Bicycles  
5 equipped with Defective Cranksets, as identified in a statement by Trek notifying  
6 customers that the cranksets in their bikes were affected if they included Defective  
7 Cranksets.<sup>4</sup>

8 ~~49.~~48. Each of the Class Bicycles sold by Trek contained a Defective  
9 Crankset and, therefore, suffered from the same defects that plague all of the  
10 Defective Cranksets.

11 ~~50.~~49. Giant manufactures, distributes, and sells assembled bicycles, and  
12 bicycle components. Among the various bicycles sold by Giant, are the Class  
13 Bicycles equipped with Defective Cranksets.

14 ~~51.~~50. Each of the Class Bicycles sold by Giant contained a Defective  
15 Crankset and, therefore, suffered from the same defects that plague all of the  
16 Defective Cranksets.

17 **B. Defendants' Prior Knowledge of the Defective Cranksets**

18 ~~52.~~51. This is not the first time Shimano has produced and sold defective  
19 cranksets.

20 ~~53.~~52. In 1997, Shimano issued a recall for 2.5 million bicycle cranksets  
21 installed on hundreds of models of mountain bikes. The faulty cranksets were  
22 manufactured from mid-1994 to mid-1995 and were installed mainly on low- to mid-  
23 priced mountain bikes sold under a number of brands, including Trek.

24 ~~54.~~53. The recall was prompted by reports of rider injuries from broken  
25

26 <sup>4</sup> Shimano road crankset recall, available at  
27 [https://www.trekbikes.com/us/en\\_US/shimano-crankset-recall/#:~:text=here%  
28 20for%20you-,Shimano%20road%20crankset%20recall,participating%20Trek%  
20retailer%20for%20inspection](https://www.trekbikes.com/us/en_US/shimano-crankset-recall/#:~:text=here%20for%20you-,Shimano%20road%20crankset%20recall,participating%20Trek%20retailer%20for%20inspection), last visited on December 15, 2023.

1 cranksets. Shimano began receiving complaints in 1995, and, by the time of the recall  
2 in 1997, executives at Shimano's Irvine, California headquarters acknowledged  
3 receiving at least 630 reports in North America of the cranksets breaking while in  
4 use, resulting in at least 22 rider injuries ranging from cuts to fractures.

5 **C. Defendants' Knowledge of the Defective Cranksets**

6 ~~55.54.~~ Like Defendants' knowledge of the earlier defects, Defendants were  
7 aware, early on, of numerous complaints regarding the Class Bicycles and Defective  
8 Cranksets separating, failing, and causing injury. Upon information and belief,  
9 Shimano and the Bicycle Manufacturer Defendants received customer complaints  
10 regarding the Defective Cranksets breaking or separating while in use years before  
11 Shimano issued a recall, and years before the Bicycle Manufacturer Defendants  
12 stopped selling the Defective Cranksets as components on Class Bicycles.

13 ~~56.55.~~ On September 1, 2016, cyclist and blogger John Carlin was riding  
14 approximately 20 miles per hour near his home in Roanoke, Virginia, on a trail called  
15 the "Brandy Loop." Without warning, while attempting to ride up a small hill, the  
16 crankset on the right-hand side of his bicycle snapped in two resulting in a crash. As  
17 a result of the Defective Crankset breaking, Mr. Carlin's foot hit the pavement, he  
18 lost control of his bicycle, and he crashed into a ditch. As Mr. Carlin describes it:

19 With absolutely no warning there was a loud crack. My foot hit the  
20 pavement, the bike dove into a ditch about a foot deep and I landed  
21 between a utility pole and street sign that are little more than shoulder-  
22 width apart.<sup>5</sup>

23 ~~57.56.~~ Mr. Carlin reported the issue to his local bicycle shop who contacted  
24 Shimano. When the shop called Shimano, the rep on the other end of the phone cut  
25 them off and said he already knew the story, indicating that Shimano had already

26  
27 <sup>5</sup> Epic Failure Ultegra 6800 11 Speed Crank, available at  
28 <https://carlinthecyclist.com/epic-failure-ultegra-6800-11-speed-crank/>, last accessed  
on December 27, 2023.

1 been made aware of the Crankset defect and well before 2016.<sup>6</sup>

2 ~~58.~~57. Three years later, in 2019, the same blogger reported on his Dura-Ace  
3 FC-9000 crankset failing in the same way. The blogger, again, attached pictures and  
4 discussed how Defendants have been well aware since the last incident of the Class  
5 Bicycles and Defective Cranksets failing and are doing nothing about it.<sup>7</sup>

6 ~~59.~~58. In August 2017, a YouTube user named “Just Me” posted a video  
7 regarding a Shimano Ultegra 6800 crank failure. The video shows and describes a  
8 Defective Crankset that delaminated and snapped. The description of the video notes  
9 that “[t]he bond between the plastic part and the inner aluminum part has failed.”  
10 The video description further describes that Shimano replaced Defective the  
11 Crankset, which, upon information and belief, means that the cyclist reported the  
12 issue to Shimano.

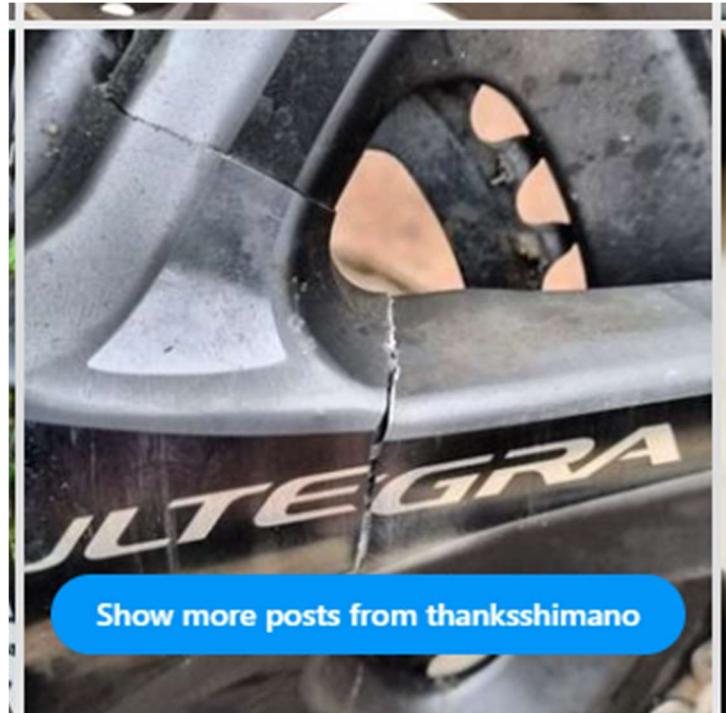
13 ~~60.~~59. In November 2017, an Instagram account named “@thanksshimano”  
14 was opened and thereafter began posting images documenting problems with the  
15 Defective Cranksets. For example, an image posted on January 18, 2018 shows a  
16 failed Shimano Ultegra FC-6800 Defective Crankset. The “@thanksshimano”  
17 Instagram account made hundreds of similar posts between 2018 and 2023. Upon  
18 information and belief, Shimano follows the “@thanksshimano” Instagram account  
19 and reviews its contents.

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26 <sup>6</sup> *Id.*

27 <sup>7</sup> Shimano Dura-Ace FC-9000 Crank Fail, available at  
28 <https://carlinthecyclist.com/shimano-dura-ace-fc-9000-crank-fail/>, last accessed on  
December 27, 2023.



1        ~~61.60.~~ Notably, these pictures do not show obvious signs of corrosion, de-  
2 bonding or delamination, and do not appear to give any sign or notice to the operator  
3 that they are about to break or need to be replaced.



1 ~~62-61~~. Accidents and injuries continued to happen, including accidents and  
2 injuries in recent years, attracting attention from journalists and news outlets. On the  
3 morning of January 15, 2020, a cyclist was riding his bicycle in the rain on his  
4 commute to work when, just as he came out of a corner and stood up on his pedals,  
5 his Shimano Ultegra 6800 Defective Crankset failed spectacularly. The incident was  
6 subsequently researched by a bicycle journalist working for [www.bikeradar.com](http://www.bikeradar.com).  
7 The journalist raised the incident with Shimano, and asked if Shimano was aware of  
8 a pattern of failures with its Hollowtech cranksets. The journalist published  
9 Shimano's response, in full. The publication of Shimano's response reveals  
10 Shimano's affirmative misrepresentation and concealment of the Crankset Defect, as  
11 reflected in the following excerpts:

12 [T]here is no overall pattern that we have identified to explain why one  
13 consumer might have an issue whilst a similar consumer will have a  
14 lifetime of riding enjoyment.”

15 [W]e are always studying and learning from our current products to  
16 make better products in the future, so feedback like this, even though  
17 in this case it was an anomaly that was experienced on an older previous  
18 generation model, will undoubtedly contribute towards better products  
19 for consumers.”

20 Finally, we recommend that any consumers experiencing any less-than-  
21 perfect Shimano product should take it to their nearest dealer to discuss  
22 a solution.<sup>8</sup>

23 ~~63-62~~. On October 17, 2021, a rider posted on the blog [www.road.cc](http://www.road.cc)  
24 describing an incident in which the Defective Crankset on his bicycle split in two  
25 and caused him to crash. On November 16, 2021, [www.road.cc](http://www.road.cc) further reported on  
26 the issue in an article titled “Shimano denies design problem with Hollowtech cranks  
27 despite reports of cracked arms,” with a sub-headline reading “Shimano says that  
28

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<sup>8</sup> Loveridge, Matthew, “Understanding an unusual Shimano crankset failure,”  
BikeRadar, April 3, 2020, available at <https://www.bikeradar.com/features/shimano-crank-failure>, last accessed on December 27, 2023.



1 there isn't a design problem with its Hollowtech cranks despite reports of a pattern  
2 of failures."<sup>9</sup> The report states that "[w]e brought the reported failures of cranks to  
3 the company's attention and in a nutshell, Shimano says there is no design problem."  
4 The report quotes Shimano as stating, among other things, that "[c]rank failures do  
5 occur, even though our cranks do not have any design problems . . . We would like  
6 to be able to give further details, but we cannot at this point . . . ." Shimano's  
7 response further confirmed that Shimano was conducting an internal investigation  
8 into the Defective Cranksets.

9 ~~64.63.~~ On February 3, 2022, Hambini Performance Engineering published an  
10 engineering analysis of a Defective Crankset failure.<sup>10</sup> The report states that:  
11 "Shimano have had some issues with their high end cranksets in recent times. It  
12 seems as though the Ultegra and Dura Ace cranksets are the primary units affected.  
13 There have been many reports of the cranksets fracturing in half." The report  
14 contains an engineering analysis of one crankset failure, concluding that:

15 The ultimate mode of failure is a break in the joint between the two  
16 halves of the crankset. . . . In the case of this failed example, there is  
17 clear evidence of galvanic corrosion and almost all units have failed as  
18 a result of some form of corrosion.

19 \* \* \*

20 It is highly unlikely that a crank of this design in the field has no onset  
21 of corrosion. It would need to be operated in a completely arid  
22 environment devoid of any potential electrolyte.

23 The report further notes that "Shimano have largely tried to deflect the situation and

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24 <sup>9</sup> Hughes, Anna Marie, "Shimano denies design problem with Hollowtech cranks  
25 despite reports of cracked arms," Road.cc, available at [https://road.cc/content/tech-](https://road.cc/content/tech-news/shimano-claims-no-design-problem-hollowtech-cranks-287827#:~:text=Shimano%20says%20that%20there%20isn,rotating%20mass%20he)  
26 [news/shimano-claims-no-design-problem-hollowtech-cranks-](https://road.cc/content/tech-news/shimano-claims-no-design-problem-hollowtech-cranks-287827#:~:text=Shimano%20says%20that%20there%20isn,rotating%20mass%20he)  
27 [287827#:~:text=Shimano%20says%20that%20there%20isn,rotating%20mass%20he](https://road.cc/content/tech-news/shimano-claims-no-design-problem-hollowtech-cranks-287827#:~:text=Shimano%20says%20that%20there%20isn,rotating%20mass%20he)  
28 [lps%20with%20acceleration.](https://road.cc/content/tech-news/shimano-claims-no-design-problem-hollowtech-cranks-287827#:~:text=Shimano%20says%20that%20there%20isn,rotating%20mass%20he), last accessed on December 15, 2023.

<sup>10</sup> "Shimano Crankset Failures: An Engineering Analysis," Hambini Performance Engineering, available at <https://www.hambini.com/shimano-crankset-failures-an-engineering-analysis/>, last accessed on December 15, 2023.

1 at least publicly deny there is a problem.”

2 ~~65-64~~. On April 5, 2022, Outside magazine published an article titled “What’s  
3 going on with Shimano’s road cranks?”<sup>11</sup> The article states that:

4 You may have caught wind of some reliability issues concerning previous-  
5 generation, high-end Shimano road cranks, specifically Dura-Ace 9000 and  
6 R9100, and Ultegra R8000 and 6800. Basically, some of them are coming  
7 apart. Shimano won’t officially comment on the issue (perhaps due to legal  
constraints – and believe me, we’ve asked) . . . .

8 The article further states that “third-party analyses have suggested a common  
9 symptom for many of these failures: corrosion. . . . That corrosion can then  
10 compromise the bond integrity, which can then potentially lead to complete  
11 structural failure under load.”

12 ~~66-65~~. Although Shimano previously described Defective Crankset failure as  
13 “an anomaly,” and repeatedly assured consumers that the Defective Cranksets were  
14 safe and not defective, Shimano has now admitted – in the September 21, 2023 recall  
15 – that it received “4,519 incidents of cranksets separating,” several of which caused  
16 significant personal injuries, including “bone fractures, joint displacement and  
17 lacerations.” The actual number of failed Cranksets is higher than the number  
18 officially reported to Shimano, as many such incidents would not be reported to  
19 Shimano.

20 ~~67-66~~. Similar stories abound on the internet and in the Consumer Protection  
21 Safety Commission’s (“CPSC”) data clearinghouse. Examples of complaints made  
22 to CPSC including the following:

23 SUDDEN CATASTROPHIC FAILURE OF A SHIMANO  
24 ULTEGRA COMPACT CRANK THAT WAS USED ON MY 2007  
25 CERVELO R3 BICYCLE. THIS WAS THE 50/34 ULTEGRA 10 SPD  
26 CRANK THAT CAME WITH THE BIKE WHEN I BOUGHT IT IN

27 <sup>11</sup> Huang, James, “What’s going on with Shimano’s road cranks?,” Outside  
28 Magazine, available at <https://velo.outsideonline.com/road/road-racing/whats-going-on-with-shimanos-road-crank/>, last accessed on December 15, 2023.

1 AUGUST 2007. I HAVE HAD NO PRIOR ISSUES WITH THE  
2 CRANK AND HAD BOTTOM BRACKET REPLACED TWICE,  
3 MOST RECENTLY 15 MONTHS EARLIER. AS YOU CAN SEE IT  
4 FAILED DRAMATICALLY. ON 12 SEPTEMBER 2015 I WAS  
5 RIDING UPHILL ON HWY 39 AT ABOUT 8-10 MPH IN THE SAN  
6 GABRIEL MTNS AND GOT TO A SWITCHBACK I HAD BEEN  
7 ON COUNTLESS TIMES IN THE PAST (AND EARLIER IN THE  
8 SAME DAY) WHEN OUT OF THE SADDLE THE CRANK  
9 SUDDENLY FAILED WITH ZERO WARNING AND I TUMBLED  
10 INTO THE ROAD. I AM 6'1" AND WEIGH 188LBS. THE BIKE  
11 HAS NEVER BEEN IN ANY SORT OF MAJOR ACCIDENT AND  
12 THAT PEDAL HAS NEVER BEEN HIT HARD IN ANY KIND OF  
13 MISHAP. NO ONE OTHER THAN ME AND SHOP PERSONNEL  
14 HAVE EVER RIDDEN THE BIKE. OTHER THAN SCRAPES I  
15 WAS UNHURT. I INCLUDE PHOTOS WITH THE CRANKSET IF  
16 A SUBSEQUENT PAGE OF THE REPORT WILL ALLOW ME TO  
17 DO SO.<sup>12</sup>

18 THE SHIMANO ULTEGRA 6800 CRANKS ON MY ROAD BIKE  
19 FAILED. THE CRANK CRACKED AT THE SPINDLE. THIS  
20 CREATED A POTENTIALLY HAZARDOUS SITUATION AS IF  
21 THERE WAS A COMPLETE FAILURE, WHICH WAS SURE TO  
22 EVENTUALLY HAPPEN, A CRASH WAS LIKELY TO OCCUR.  
23 THE CRACK WAS PICKED UP BY MY LOCAL BIKE SHOP.  
24 THERE SEEM TO BE A LOT OF REPORTS OF FAILURES OF  
25 THIS PARTICULAR CRANK. IT SHOULD NOT FAIL DURING  
26 NORMAL USAGE. MY BIKE WAS NEVER CRASHED OR  
27 DAMAGED. THESE CRANKS SHOULD BE RECALLED AND  
28 REPLACED. THEY ARE NOT SAFE. THERE WAS NO  
"INCIDENT" AS I DID NOT CRASH.<sup>13</sup>

BICYCLE: SHIMANO DURA ACE 10 SPEED CRANK ARM  
BROKE IN HALF. ITS LUCKY I WAS NOT INJURED OR  
KILLED.<sup>14</sup>

<sup>12</sup> Incident ID 20150919-69EAB-2147428241, September 2015 (all caps included in the original).

<sup>13</sup> Incident ID 20190807-A0F41-2147379394, August 2019 (all caps included in the original).

<sup>14</sup> Incident ID 2021.215-FR798-2147365875, February 2021 (all caps included in the original).

1 SHIMANO FC-7800 DURA ACE CRANK ARM ON HIGH-END  
2 BICYCLE SNAPPED WITHOUT WARNING.<sup>15</sup>

3 A FRIEND OF MINE WAS INJURED WHEN THE CRANKARM OF  
4 HIS BIKE SNAPPED IN HALF AS HE WAS ACCELERATING,  
5 AND AS IT TURNS OUT, THESE TYPES OF CRANKS HAVE  
6 SUCH A NOTORIOUS REPUTATION THAT A WHOLE  
[REDACTED] ACCOUNT HAS BEEN MADE CATALOGUING  
THE FAILURES OF SHIMANO'S CRANKARMS. [REDACTED].<sup>16</sup>

7 ~~68-67~~. On information and belief, Shimano likely possess records regarding  
8 thousands of complaints about Defective Cranksets and the defect dating back to at  
9 least 2012.

10 ~~69-68~~. Not only do the number of complaints and the publicity of such through  
11 media, blogs, news outlets, and various other channels, as well as Defendants' own  
12 statements, comments, and responses to such outlets, demonstrate that Defendants  
13 must have been keenly aware of this defect for at least many years, but the substance  
14 of the complaints shows that consumers were surprised, frustrated, and disappointed  
15 with the poor build quality of the Class Bicycles and Defective Cranksets, and would  
16 not have purchased the Class Bicycles and Defective Cranksets had the defect been  
17 disclosed.

18 ~~70-69~~. Defendants would have seen the above-described complaints and news  
19 coverage because Online Reputation Management (ORM) is now a standard business  
20 practice among major companies and entails monitoring consumer forums, social  
21 media, and other sources on the internet where consumers can review or comment  
22 on products. ORM involves the monitoring of the reputation of an individual or a  
23 brand on the internet, addressing content, which is potentially damaging to it, and  
24 using customer feedback to try to solve problems before they damage the  
25 individual's or brand's reputation. Many companies offer ORM consulting services

26  
27 <sup>15</sup> Incident ID 20210619-2246D-2147363413, June 2021 (all caps in original).

28 <sup>16</sup> Incident ID 20220415-66EFB-2147356847, April 2022 (all caps in original).

1 for businesses.

2 ~~71~~.70. Like most companies, Defendants care about their reputation and  
3 regularly monitor online customer reviews and media because they provide valuable  
4 data regarding quality control issues, customer satisfaction, and marketing analytics.  
5 Poor reviews and negative media attention would be particularly attention-grabbing  
6 for Defendants' management because negative publicity and poor reviews are often  
7 the result of material problems. As such, Defendants' management knew about the  
8 above-referenced consumer complaints, which is further evidenced by their  
9 documented responses to bike shops, blogs, and other outlets.

10 ~~72~~.71. While bicyclists experienced the defect when their Defective Cranksets  
11 failed, they did not know, and could not know, *why* their Defective Cranksets had  
12 failed and that they had failed due to a defective design. Even experienced bike store  
13 owners could not independently determine that the Defective Cranksets posed a  
14 safety hazard. As Roderick Russell, who has owned a bike store for more than ten  
15 years and sells hundreds of bicycles every year, stated, "Prior to Shimano's  
16 announcement of the recall, I was not aware of the bonding separation and  
17 delamination issue because the Shimano Cranksets did not appear defective to the  
18 naked eye."<sup>17</sup>

19 ~~73~~.72. Defendants, on the other hand, are experienced in designing and  
20 manufacturing bicycle parts such as the Class Bicycles and Defective Cranksets.  
21 They are exclusively privy to a host of factors that go into the design and manufacture  
22 of the Defective Cranksets. Dr. Kim Cameron is a Principal at ESI, a leading  
23 scientific and engineering consulting firm. She has twenty years of experience  
24 consulting in the areas of mechanical engineering and materials science, has led  
25 numerous multidisciplinary engineering investigations, and performed many failure  
26 analyses, including of exercise equipment and bicycles. Upon examination of the

27 \_\_\_\_\_  
28 <sup>17</sup> Russell Decl., Exh. 1 ¶ 6.

1 subject crankset, she described the hollow Crankset design and the potential  
2 mechanisms of failure when the adhesive used to join the parts of the Defective  
3 Cranksets does not remain intact causing the Defective Cranksets to break apart.  
4 Consumers, on the other hand, “would find it difficult to assess the adequacy of the  
5 design because several critical factors are only known to Shimano, including: surface  
6 preparation before application of adhesive; adhesive properties; applied adhesive  
7 thickness and location; processing steps related to adhesive; and part tolerances.”

8 ~~74.~~73. As an experienced manufacturer, Defendants conduct pre-sale and post-  
9 sale testing to verify design integrity and the safety risks posed to users of the Class  
10 Bicycles and Defective Cranksets. Defendants would have conducted additional  
11 post-sale testing upon being notified of the earliest above-described complaint. On  
12 information and belief, Defendants discovered this safety risk during testing both  
13 before and after publicly releasing the Class Bicycles and Defective Cranksets for  
14 sale. Consumers are not able to conduct the testing required to know that their  
15 cranksets are safe. They do not know that the Defective Cranksets are made from  
16 separate hollow parts which are simply glued together or what type of adhesive is  
17 holding the Defective Cranksets together. As Dr. Cameron states, it “would be  
18 helpful to investigate the fracture surfaces with a scanning electron microscope to  
19 determine whether fatigue was part of the failure mechanism. The adhesive and  
20 surface could also be better examined under a microscope and Fourier-transform  
21 infrared spectroscopy could potentially be used to identify the chemical composition  
22 of the adhesive.”

23 ~~75.~~74. Worse, the Defective Cranksets can and do break without warning, so  
24 riders do not gradually learn or become aware that they are in danger. As Dr.  
25 Cameron states, “when assessing the design and failures of the crankset, of particular  
26 concern is that consumers will not necessarily be alerted to the initial failure of the  
27 adhesive depending on how the loss of adhesion progresses. It is possible for the  
28



1 failure to be sudden when the loss of adhesive propagates quickly under load.”

2 ~~76.75.~~ Another failure investigation performed by Dr. Mark Bingley  
3 concluded that the “failure might well occur suddenly and without warning and result  
4 in widespread “unzipping” of the inner and outer channels and the complete failure  
5 (as observed) of the crank arm. The analysis indicates that this would be possible at  
6 relatively low loads that might easily be applied during normal cycling conditions.”<sup>18</sup>

7 ~~77.76.~~ In sum, Defendants have known of the defect and its associated  
8 manifestations and damage through (1) records of customer complaints, (2) media,  
9 (3) direct communications with bike shops and customers seeking to make  
10 Defendants aware of the problem, and (4) pre- and post-sale testing, but made no  
11 substantive design modifications to eliminate the defect, and did not recall the  
12 Defective Cranksets until September 21, 2023, despite knowing the defect existed  
13 almost a decade prior.

14 **D. Defendants’ Misrepresentations and Omissions Regarding the Defective**  
15 **Cranksets and Class Bicycles**

16 ~~78.77.~~ All Defendants made affirmative misrepresentations regarding the  
17 Defective Cranksets and/or the Class Bicycles.

18 ~~79.78.~~ Shimano regularly touted the stiffness and durability of the Defective  
19 Cranksets in its marketing materials to assure customers of its products’ safety. In  
20 doing so, Shimano knew that stiffness and durability are two characteristics that tie  
21 directly to the safety and reliability of a crankset and Shimano falsely touted these  
22 characteristics to induce consumer reliance.

23 ~~80.79.~~ With respect to its overall bicycle engineering and manufacturing  
24 capabilities, Shimano told consumers, “we realize innovative new products excelling  
25 both in high precision and in durability by the metal-processing technologies we have  
26

27 <sup>18</sup> See [https://road.cc/content/feature/investigating-shimanos-snapping-cranksets-](https://road.cc/content/feature/investigating-shimanos-snapping-cranksets-304173)  
28 [304173](https://road.cc/content/feature/investigating-shimanos-snapping-cranksets-304173) (accessed on April 29, 2024).



1 developed for many years.”<sup>19</sup>

2 ~~81.80.~~ Shimano’s website describes the entire Hollowtech II series, which  
3 includes all of the Defective Cranksets, as “the best balance of stiffness, strength,  
4 weight and rotating performance,” and “high-precision sealing in the bearing area to  
5 increase durability maintaining the excellent rotating performance for long periods.”  
6 Shimano’s references to the Defective Cranksets’ stiffness and durability are made  
7 to induce consumer reliance.<sup>20</sup>

8 ~~82.81.~~ Shimano has published numerous marketing materials on their website  
9 and through third-party media outlets emphasizing the Defective Cranksets’  
10 performance, strength, reliability and durability to further induce consumer reliance  
11 on the purported high-quality of its Defective Cranksets:<sup>21</sup>

- 12 • “the best balance of stiffness, strength, weight and rotating performance;”
- 13 • “[T]he crankset is designed by careful consideration of the total balance of  
14 those elements to prevent breakage;”
- 15 • “high precision sealing in the bearing area to increase durability;”
- 16 • “Maintains high rigidity and reduces weight;”
- 17 • “Its outboard bottom bracket bearing system provides better weight  
18 distribution and more pedaling stability; and”
- 19 • “HOLLOWTECH technology is an ultra-lightweight hollow crankarm  
20 created by SHIMANO with the company’s own proprietary forging  
21 technology that also maintains rigidity.”

22  
23 <sup>19</sup> <https://www.shimano.com/en/manufacturing/bicycle.html>, last accessed on  
24 December 15, 2023.

25 <sup>20</sup> <https://bike.shimano.com/en-EU/technologies/component/details/hollowtech-2.html>,  
last accessed on December 15, 2023.

26 <sup>21</sup> E.g., <https://bike.shimano.com/en-EU/technologies/component/details/hollowtech-2.html>;  
27 <https://bike.shimano.com/en-US/product/component/duraace-9000/FC-9000.html>;  
28 <https://www.bikeradar.com/news/shimano-dura-ace-9000-launched/>;  
<https://www.shimano.com/en/manufacturing/bicycle.html>.

1 ~~83~~.82. These representations are misleading because they were made to assure  
2 consumers of the safety of the Defective Cranksets, that they were durable, and  
3 would not break. Indeed, as the owner of a bicycle store who sells hundreds of bikes  
4 every year, points out, “[i]n the cycling community, these terms are understood as  
5 representations about the cranksets’ performance and safety.”<sup>22</sup> Terms and phrases  
6 like “rigidity,” “more pedaling stability,” and “designed...to prevent breakage” were  
7 employed by Shimano for this purpose, despite the opposite being true: the Defective  
8 Cranksets were designed with the Crankset Defect, which resulted in an  
9 unreasonable risk of physical injury during ordinary use. Defendants omitted this  
10 information on packaging, labeling, and advertising to benefit their bottom line.

11 ~~84~~.83. None of these representations made by Shimano was accurate. In fact,  
12 they affirmatively misrepresented the qualities of the Defective Cranksets. The  
13 Defective Cranksets were not “designed...to prevent breakage,” and, in fact, did  
14 break for several consumers. Similarly, the Defective Cranksets do not provide  
15 consumers with more pedaling stability since the Crankset Defect jeopardizes  
16 pedaling stability and rider safety.

17 ~~85~~.84. As Shimano has its principal place of business in California, on  
18 information and belief, decisions about the Defective Cranksets, including, but not  
19 limited to, marketing, advertising, promotional activities, and literature about the  
20 Defective Cranksets were coordinated at, emanated from, and were developed,  
21 conceived, approved and otherwise controlled, at its California headquarters. All  
22 critical decisions regarding the Defective Cranksets, were made in California and via  
23 Shimano’s California-based executives and leadership personnel. Many of  
24 Shimano’s executives and leadership personnel—including its Director of  
25 Distribution, OEM Sales Manager, National Sales Manager, and Marketing  
26 Specialists—are located in California. Thus, the deceptive practices,

27 \_\_\_\_\_  
28 <sup>22</sup> Russell Decl., Exh. 1 ¶ 13.

misrepresentations, and omissions alleged herein were conceived, reviewed, approved and otherwise controlled from Shimano’s headquarters and principal place of business in California.

~~86.~~85. Specialized regularly touted the quality and reliability of its Class Bicycles. The following is one example of Specialized’s pervasive marketing of its bicycles as flawless and high-quality<sup>23</sup>:

**Strive for Performance:** We seek to relentlessly innovate, in order to redefine riders’ expectations for safety, performance, and durability.

~~87.~~86. As another example of Specialized’s pervasive marketing regarding the quality of its Class Bicycles, Specialized claimed that, with respect to its Tarmac SL6 Class Bicycle, it “scrutinized every single aspect . . . to ensure you’re getting the perfect ride.”<sup>24</sup>

~~88.~~87. Specialized made these statements to induce consumers to rely on the high quality of its Class Bicycles, including the component Defective Crankset. The terms Specialized used to describe Class Bicycles “are understood as representations about the [products’] performance and safety” in the cycling community.<sup>25</sup>

~~89.~~88. None of these representations made by Specialized was accurate. In fact, they affirmatively misrepresented the qualities of the Defective Cranksets. Instead of being safe and durable, Specialized Class Bicycles came equipped with Defective Cranksets that can separate and fail without warning and cause accidents, crashes, and significant personal injury. Specialized omitted, and did not disclose, that its Class Bicycles in fact were unsafe and not durable because they were

<sup>23</sup> <https://www.specialized.com/us/en/sustainability>, last accessed on April 28, 2024.

<sup>24</sup> <https://rocknroadcyclery.com/products/2019-specialized-tarmac-men-sl6-comp-disc>, last visited on December 21, 2023.

<sup>25</sup> Russell Decl., Exh. 1 ¶ 13.

1 equipped with Defective Cranksets.

2 ~~90.~~89.As Specialized has its principal place of business in California, on  
3 information and belief, decisions about its Class Bicycles and the Defective  
4 Cranksets, including, but not limited to, marketing, advertising, promotional  
5 activities, and literature about its Class Bicycles and the Defective Cranksets were  
6 coordinated at, emanated from, and were developed, conceived, approved and  
7 otherwise controlled, at its California headquarters, and that all critical decisions  
8 regarding its Class Bicycles and the Defective Cranksets, were made in California  
9 and via Specialized’s California-based executives and leadership personnel. Many  
10 of Specialized’s executives and leadership personnel—including its Global Digital  
11 Planning & Consumer Engagement Leader, Merchandising Director, Founder &  
12 Chief Executive Officer, Chief Operating Officer, and Global Marketing Operations  
13 Leader, and Chief Marketing Officer—are located in California. Thus, the deceptive  
14 practices, misrepresentations, and omissions alleged herein were conceived,  
15 reviewed, approved and otherwise controlled from Specialized’s headquarters and  
16 principal place of business in California.

17 ~~91.~~90.Trek regularly touted the quality of its Class Bicycles. Trek holds itself  
18 out as selling “bikes to last” and “stand[s] behind every one that...bears [the Trek]  
19 name.”<sup>26</sup> Trek posits that it “has applied the most sophisticated concepts of  
20 metallurgy and stretched them to the absolute maximum.”<sup>27</sup> In fact, of its carbon  
21 frame bikes, Trek states that its bike frames and components minimize voids, or “the  
22 spaces that exist between the layers of carbon fiber...as more voids translates to  
23 reduced strength and durability of the composite material.”<sup>28</sup>

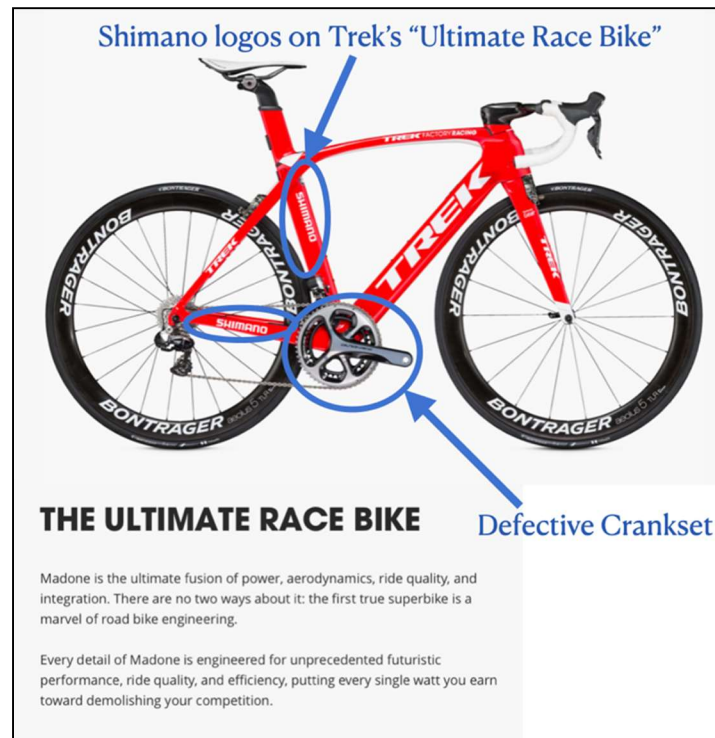
24 \_\_\_\_\_  
25 <sup>26</sup> [https://www.trekbikes.com/au/en\\_AU/inside\\_trek/oclv\\_carbon/](https://www.trekbikes.com/au/en_AU/inside_trek/oclv_carbon/), last accessed on  
April 28, 2024.

26 <sup>27</sup> [https://www.trekbikes.com/au/en\\_AU/inside\\_trek/aluminum/](https://www.trekbikes.com/au/en_AU/inside_trek/aluminum/), last accessed on  
April 28, 2024.

27 <sup>28</sup> [https://www.trekbikes.com/au/en\\_AU/inside\\_trek/oclv\\_carbon/](https://www.trekbikes.com/au/en_AU/inside_trek/oclv_carbon/), last accessed on  
28 April 28, 2024.

1 92.91. Trek further tells consumers that each of its bicycles comes with “a  
2 carefully selected combination of parts,” including “the cranks,” and that Shimano  
3 in particular “makes incredible components for our bikes which have their own  
4 benefits to better suit how you like to ride.”<sup>29</sup>

5 93.92. Trek so integrated Shimano’s branding and components into its own  
6 branding and marketing that Trek painted Shimano’s logo on certain high-end Trek  
7 Class Bicycles alongside the Trek logo.



20 94.93. None of these representations made by Trek was accurate. In fact, they  
21 affirmatively misrepresented the specific qualities of the Defective Cranksets in  
22 order to induce consumers to rely on the purported safety and durability of Trek’s  
23 Class Bicycles. The terms Trek used to describe Class Bicycles are understood as  
24 representations about the their Class Bikes’ performance and safety in the cycling  
25 community.<sup>30</sup>

26  
27 <sup>29</sup> [https://www.trekbikes.com/us/en\\_US/road\\_buyers\\_guide/](https://www.trekbikes.com/us/en_US/road_buyers_guide/), last accessed on  
December 30, 2023.

28 <sup>30</sup> Russell Decl., Exh. 1 ¶ 13.

1 ~~95.94~~. Instead, the Trek Class Bicycles were equipped with Defective  
2 Cranksets made by Shimano that can unexpectedly separate and fail, causing crashes  
3 and significant personal injury, directly contradicting Trek's claims about the safety  
4 of the Class Bicycles. Trek misled, omitted, and did not disclose, that its Class  
5 Bicycles in fact were equipped with Defective Cranksets.

6 ~~96.95~~. Giant holds itself out as "the world's leading brand of high-quality  
7 bicycles and cycling gear."<sup>31</sup> Trek represents that its bikes will unleash each rider's  
8 full potential, whatever their goal might be. Giant further represents that its bikes  
9 combine craftsmanship, technology and innovative design. Giant's representations  
10 about itself as a company and its Class Bicycles emphasize winning. For example,  
11 Giant represented that its Propel Advanced Disc 1 bike was good "[o]n the attack, in  
12 a spring, or cornering at speed" and that "it gets up to speed and stays there with  
13 minimal resistance." Similarly, Giant represented that its TCR Advanced SL bike was  
14 "[k]ing of the mountains. The race leader's jersey. Any race, any time, this legendary  
15 road machine is a proven winner." Giant further represented that the TCR Advanced  
16 SL could "[p]ower up steep climbs. Sprint for the finish. Whatever the race situation,  
17 the legendary TCR Advanced SL gives you an advantage."

18 ~~97.96~~. These representations convey the message that Giant's Class Bicycles  
19 function properly under normal riding and, as described by Giant, are "high-quality"  
20 and, therefore, utilize safe and reliable parts.

21 ~~98.97~~. Giant's Class Bicycles, however, were equipped with Defective  
22 Cranksets. As just two examples, Giant's Propel and TCR Advanced SL bikes were  
23  
24  
25  
26  
27

28 <sup>31</sup> <https://www.giant-bicycles.com/us/about-us>, last accessed on December 22, 2023.



originally equipped with Shimano Ultegra 11-speed cranksets.



COMPARE



99.98. None of these representations made by Giant was accurate. In fact, they affirmatively misrepresented the qualities of the Defective Cranksets. Class Bicycles are not “high-quality.” They are not fit for any goal a rider may have. They are not of high-quality craftsmanship. They do not give riders an advantage and they do not function properly under normal riding conditions. Rather, the Class Bicycles were

1 equipped with Defective Cranksets made by Shimano that can unexpectedly separate  
2 and fail, causing crashes and significant personal injury. Giant omitted, and did not  
3 disclose, that its Class Bicycles in fact were equipped with Defective Cranksets.

4 ~~100.~~99. As Giant has its principal place of business in California, on  
5 information and belief, decisions about the Class Bicycles and Defective Cranksets,  
6 including, but not limited to, marketing, advertising, promotional activities, and  
7 literature about the Class Bicycles and Defective Cranksets were coordinated at,  
8 emanated from, and were developed, conceived, approved and otherwise controlled,  
9 at its California headquarters. All critical decisions regarding the Class Bicycles and  
10 Defective Cranksets, were made in California and via Giant's California-based  
11 executives and leadership personnel. Many of Giant's executives and leadership  
12 personnel—including its Global Product Marketing Manager, Sales Operations  
13 Manager, Global Head of Product & Marketing, Product Management Director, and  
14 Director of Group Global Marketing—are located in California. Thus, the deceptive  
15 practices, misrepresentations, and omissions alleged herein were conceived,  
16 reviewed, approved and otherwise controlled from Giant's headquarters and  
17 principal place of business in California.

18 ~~101.~~100. All Defendants omitted, concealed, and/or failed to disclose the  
19 Crankset Defect. On information and belief, all Defendants were aware of the  
20 Crankset Defect in the Defective Cranksets. Despite this knowledge, and despite the  
21 representations alleged above, none of the Defendants disclosed the Crankset Defect  
22 or the safety risks associated therewith.

23 **E. Defendants' Duty to Disclose the Crankset Defect**

24 ~~102.~~101. Knowledge of Material Safety Risk: As alleged, The Defective  
25 Cranksets give rise to material safety concerns, which are particularly pronounced  
26 among modern road bicycles that are predominantly ridden on roads, at high speed,  
27 near motor vehicles, while operators' feet are clipped into the pedals attached to the  
28

1 end of the crank arms because these operators are riding nearest to dangerous traffic  
2 and moving at significant speeds. Shimano's notice of the CPSC recalls states plainly  
3 that it is being made due to "safety and quality" concerns and to address "any  
4 possible safety hazard to our consumers." These material safety concerns associated  
5 with the Defective Cranksets have led to accidents and physical injuries from riding  
6 Class Bicycles and/or bicycles equipped with Defective Cranksets. This safety-  
7 related defect in the Defective Cranksets and Class Bicycles triggers a duty to  
8 disclose.

9 ~~103.~~102. Superior Knowledge: As alleged, Defendants alone designed and  
10 manufactured the Class Bicycles and the Defective Cranksets. And, only Defendants  
11 are aware of the elements that go into the design and manufacture of a crankset. Dr.  
12 Cameron lists some of these particular factors, which are proprietary to Defendants:  
13 surface preparation before application of adhesive; adhesive properties; applied  
14 adhesive thickness and location; processing steps related to adhesive; and part  
15 tolerances. As experienced manufacturers, Defendants conduct tests, including pre-  
16 sale testing, to verify the cranksets they sell are free from defects and align with  
17 Defendants' specifications, marketing representations, and intended use. The tests  
18 required to measure the strength and durability of the materials used in the  
19 manufacture of the Defective Cranksets cannot be conducted by consumers, and only  
20 Defendants can properly investigate failed cranksets. As Dr. Cameron advises, in the  
21 wake of a failure, "it would be helpful to investigate the fracture surfaces with a  
22 scanning electron microscope to determine whether fatigue was part of the failure  
23 mechanism. The adhesive and surface could also be better examined under a  
24 microscope and Fourier-transform infrared spectroscopy could potentially be used to  
25 identify the chemical composition of the adhesive." Defendants also receive,  
26 monitor, and aggregate consumer complaints and publications regarding the crankset  
27 failures, accidents, and parts that do not perform as designed or advertised. A  
28

1 reasonable consumer does not have access to the granular design and engineering  
2 data in Defendants' possession and would not be on notice of the presence of a design  
3 defect, would not be on notice of the design defect, and would have no knowledge  
4 of the causes of the crankset failures, or the severity of the design defect. A  
5 reasonable consumer is also not privy to the engineering or bicycle expertise  
6 possessed by Defendants and does not possess the equipment or knowledge  
7 necessary to enable them to learn of the Crankset Defect.

8 ~~104.~~103. Active Concealment: Defendants actively concealed the Crankset  
9 Defect. As described above, Defendants actively concealed the Crankset Defect from  
10 Plaintiffs and the other Class Members in direct communications with them and in  
11 communications with the media. In response to consumer complaints about crankset  
12 failures, Defendants' offered to replace the Defective Cranksets with the same  
13 Defective Cranksets ensuring that the Crankset Defect will manifest again outside of  
14 the warranty period allowing Defendants to deny warranty claims entirety.  
15 Defendants also responded to negative reviews about the crankset failures by  
16 denying the existence of any design defect in the cranksets, even to specialized  
17 biking publications, as the Hambini report notes. In fact, Defendants continue to  
18 expressly deny that all Defective Cranksets are defective or pose an unreasonable  
19 safety risk by instituting an inadequate recall.

20 ~~105.~~104. Partial Representation: Defendants made many representations as  
21 to the quality of their products, but routinely failed to disclose the existence of the  
22 Crankset Defect. These partial representations did not reveal the full truth—that the  
23 Defective Cranksets were defective and posed a serious risk of accident and personal  
24 injury. By choosing to speak and making partial representations regarding the  
25 Defective Cranksets, Defendants were obligated to speak fully and truthfully  
26 regarding the Defective Cranksets.

27 ~~106.~~105. Defendants could have and should have prominently disclosed  
28

the defect on the product listings on its website, on the Defective Cranksets' packaging, and to third-party retailers. Had Defendants disclosed the defect in this manner, consumers would have been aware of it.

**F. Defendants' Recall Is Inadequate to Remedy the Defect or Harm Suffered by Plaintiffs and the Other Class Members**

~~107.~~106. On September 21, 2023, Shimano finally issued a recall on the Defective Cranksets.

~~108.~~107. According to Shimano's recall, the Defective Cranksets "can separate and break, posing a crash hazard to consumers," and "[c]onsumers should immediately stop using the cranksets manufactured before July 1, 2019, and contact an authorized Shimano dealer to schedule a free crankset inspection."<sup>32</sup> Shimano directed retailers to opt into an "Inspect and Replace" program, so that the dealer would be listed as an "Authorized Inspection" location, and directed dealers to obtain Shimano's "B2B Access" to participate in the recall, and authorized payments to the retailers in connection with the recall.

~~109.~~108. Shimano's recall then explains that "[o]nly consumers whose cranksets show signs of bonding separation or delamination during the inspection will be provided a free replacement crankset and installation."<sup>33</sup>

- ~~110.~~109. Shimano's recall is inadequate for multiple reasons, including:
- First, hundreds of thousands of consumers are now left without a bicycle while they navigate the process of attempting to schedule a time-consuming inspection with a finite number of local bicycle mechanics alongside hundreds of thousands of other impacted cyclists. This process will inevitably cause consumers to be without their bicycles for extended

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<sup>32</sup> Shimano Recalls Cranksets for Bicycles Due to Crash Hazard, available at <https://www.cpsc.gov/Recalls/2023/Shimano-Recalls-Cranksets-for-Bicycles-Due-to-Crash-Hazard>, last accessed on December 30, 2023.

<sup>33</sup> *Id.*

1 periods of time while they await the initial inspection.

- 2 • Second, Shimano touts the Defective Cranksets as sophisticated pieces of  
3 performance engineering, but, to save money during the recall, is deferring  
4 to local bike shops to make an important engineering determination –  
5 whether any particular Defective Crankset shows “signs of bonding  
6 separation or delamination” – that is critical to rider safety. Many local  
7 bicycle mechanics are not engineers and should not be put in the position  
8 of making complicated engineering judgments related to a critical safety  
9 issue (and incurring the potential legal liability in the event a replacement  
10 is denied and the Defective Crankset later breaks and causes an injury).  
11 Making matters worse, on information and belief, the bicycle mechanics  
12 are being asked to make this engineering judgment based solely on a visual  
13 inspection, without the benefit of stress testing. Rather, Shimano’s  
14 frequently asked questions document provided to retailers directs retailers  
15 to “[r]emind [customers] of the importance of paying attention to changes  
16 in the sound and feel of how their bike is riding.”
- 17 • Third, and most importantly, rather than offering to repair or replace (or  
18 refund) each of the approximately 680,000 Defective Cranksets subject to  
19 the U.S. recall, Shimano’s proposed recall remedy states that only  
20 “[c]onsumers whose cranksets show signs of bonding separation or  
21 delamination during the inspection will be provided a free replacement  
22 crankset . . . that the dealer will professionally install.” In other words,  
23 Shimano is not offering any remedy for Defective Cranksets that have not  
24 yet begun to fail, and consumers who own a Defective Crankset that has  
25 not already begun to fail are left in the frightening position of having to  
26 ride a dangerous bicycle for months or years, waiting on their cranksets to  
27 separate and potentially cause a crash before Shimano will give them a new  
28



one.

- Fourth, if consumers have already discarded their Defective Cranksets or attempted to fix it themselves, they are, upon information and belief, ineligible to participate in the recall.
- Fifth, those consumers eligible to receive a replacement are not made whole as part of the recall. Rather than providing customers a non-defective component of equivalent specification and value, Shimano is replacing the 11-speed Defective Cranksets with 12-speed cranksets. These 12-speed cranksets may not properly integrate with the balance of the components on any particular bicycle – for example, the replacement 12-speed cranksets are geared to better interact with the gear ratios of a 12-speed cassette, which most or all consumers replacing an 11-speed Defective Crankset will not have equipped on their bike. And even putting compatibility with other components aside, the replacement 12-speed crankset may not be the desired or optimum performance choice for any particular owner of a Defective Crankset, all of whom had previously selected and purchased an 11-speed crankset as their optimum choice.

~~111.~~110. One bicycle shop owner explains the untenable position in which Shimano's recall procedures have placed him. Shimano's "training materials instruct mechanics to visually inspect the cranksets for signs of bonding separation or delamination." However, "Shimano did not provide dealers any equipment to scan or image the Shimano Cranksets to identify signs of bonding separation or delamination, which is necessary to thoroughly examine the cranksets for signs of bonding separation or delamination."<sup>34</sup> As he explains, "A visual inspection is insufficient to identify the safety issue with the Shimano Cranksets."<sup>35</sup> This is

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<sup>34</sup> Russell Decl., Exh. 1 ¶ 8.

<sup>35</sup> *Id.* ¶ 9.

1 because “[t]he cranksets can separate and break at any time, including in the days,  
2 weeks, or months after they “pass” the visual inspection performed in connection  
3 with the crankset recall. I am aware of a report from another bicycle mechanic that a  
4 Shimano Crankset failed shortly after it ‘passed’ a visual inspection. Early signs of  
5 separation or delamination may not be visible to the naked eye, and, given the nature  
6 of the defect, even those Shimano Cranksets that have not yet started to visibly fail  
7 may fail at any time in the future.”<sup>36</sup> This is consistent with the conclusions of Dr.  
8 Cameron, the mechanic who inspected Plaintiff Semizarov’s bicycle, and the  
9 experiences of numerous other riders.

10 ~~112.~~111. Shimano made the decision to unreasonably limit the proposed  
11 recall remedy for profit reasons. Each of the approximately 680,000 Defective  
12 Cranksets sold for between \$270 and \$1,500. Doing the right thing and replacing all  
13 of the Defective Cranksets would, on information and belief, cost Shimano hundreds  
14 of millions of dollars. By issuing a narrow recall with a plainly inadequate remedy –  
15 shop inspection followed by only replacing the subset of Defective Cranksets that a  
16 shop inspector determines have already begun to fail – Shimano will save significant  
17 money at the expense of rider safety.

18 ~~113.~~112. A proper recall would replace or refund all the 680,000 Defective  
19 Cranksets, including those installed on the Class Bicycles, because they are unsafe  
20 and pose a serious risk to users. However, the Defendants are yet again placing their  
21 finances over consumer safety and the majority of Class Bicycles and Defective  
22 Cranksets are still on the road endangering consumers and the public at large. For  
23 many, it will be too late to replace the Defective Cranksets, including those installed  
24 on the Class Bicycles, after they have started to show failure. Many will continue to  
25 fail even with customers taking extra precautions and inspecting the Class Bicycles  
26 and Defective Cranksets. Defendants need to revise their recall and replace and  
27

28 <sup>36</sup> *Id.*

1 remove from the streets all the defective and unsafe Defective Cranksets, including  
2 those installed on the Class Bicycles.

3 ~~114.~~113. Upon information and belief, Shimano does not have a sufficient  
4 quantity of non-defective cranksets to replace all of the Defective Cranksets.

5 ~~115.~~114. Neither Specialized, Trek, nor Giant have issued a recall on the  
6 Class Bicycles.

7 **G. Plaintiffs' Counsel Served Defendants with Sufficient Pre-Suit Notice**

8 ~~116.~~115. Plaintiffs' counsel, on behalf of Plaintiffs, served Defendants  
9 with notice of their violations of applicable consumer-protection and warranty laws  
10 related to the Defective Cranksets and demanded that Defendants correct or agree to  
11 correct the actions described therein.

12 ~~117.~~116. In accordance with section 1782(a) of the CLRA, Plaintiffs'  
13 counsel, on behalf of Plaintiffs and the other Class Members, sent Shimano notice,  
14 on and September 29, 2023, of their alleged violations of Cal. Civ. Code §§ 1770(a)  
15 relating to the defectively designed Class Bicycles and Defective Cranksets  
16 purchased by Plaintiffs and the other Class Members, and demanded that they correct  
17 or agree to correct the actions described therein within thirty (30) days of such notice.  
18 Plaintiffs' counsel, on behalf of Plaintiffs Jarett Hawkins and Christopher Jennings  
19 and the other Class Members, also sent Shimano notice in accordance with section  
20 1782(a) on October 27, 2023. Plaintiffs' counsel, on behalf of Plaintiffs and the other  
21 Class Members, sent Specialized notice, on September 29, 2023, of their alleged  
22 violation of Cal. Civ. Code §§ 1770(a) relating to the defectively designed Class  
23 Bicycles and Defective Cranksets purchased by Plaintiffs and the other Class  
24 Members, and demanded that they correct or agree to correct the actions described  
25 herein within thirty (30) days of such notice. Plaintiffs' counsel, on behalf of  
26 Plaintiffs Jarett Hawkins and Christopher Jennings and the other Class Members,  
27 also sent Shimano notice in accordance with section 1782(a) on October 30, 2023.  
28

1 Plaintiffs' counsel, on behalf of Plaintiffs and the other Class Members, sent Giant  
2 notice, on December 29, 2023, of their alleged violation of Cal. Civ. Code §§ 1770(a)  
3 relating to the defectively designed Class Bicycles and Defective Cranksets  
4 purchased by Plaintiffs and the other Class Members, and demanded that they correct  
5 or agree to correct the actions described herein within thirty (30) days of such notice.  
6 Plaintiffs' counsel, on behalf of Plaintiffs and the other Class Members, sent Trek  
7 notice, on September 29, 2023, of their alleged violation of Cal. Civ. Code §§  
8 1770(a) relating to the defectively designed Class Bicycles and Defective Cranksets  
9 purchased by Plaintiffs and the other Class Members, and demanded that they correct  
10 or agree to correct the actions described herein within thirty (30) days of such notice.

11 ~~118.~~117. Similarly, Plaintiffs' counsel, on behalf of Plaintiffs and the other  
12 Class Members, sent Shimano notice, on September 29, 2023 and October 27, 2023,  
13 of their alleged violations of the express and implied warranty statutes in all 50 states  
14 and the District of Columbia relating to the defectively designed Class Bicycles and  
15 Defective Cranksets purchased by Plaintiffs and the other Class Members, and  
16 demanded that they correct or agree to correct the actions described therein.  
17 Plaintiffs' counsel, on behalf of Plaintiffs and the other Class Members, sent  
18 Specialized notice, on September 29, 2023 and October 30, 2023, of their alleged  
19 violations of the express and implied warranty statutes in all 50 states and the District  
20 of Columbia relating to the defectively designed Class Bicycles and Defective  
21 Cranksets purchased by Plaintiffs and the other Class Members, and demanded that  
22 they correct or agree to correct the actions described therein. Plaintiffs' counsel, on  
23 behalf of Plaintiffs and the other Class Members, sent Trek notice, on September 29,  
24 2023, of their alleged violations of the express and implied warranty statutes in all  
25 50 states and the District of Columbia relating to the defectively designed Class  
26 Bicycles and Defective Cranksets purchased by Plaintiffs and the other Class  
27 Members, and demanded that they correct or agree to correct the actions described  
28

therein. Plaintiffs' counsel, on behalf of Plaintiffs and the other Class Members, sent Giant notice, on December 29, 2023, of their alleged violations of the express and implied warranty statutes in all 50 states and the District of Columbia relating to the defectively designed Class Bicycles and Defective Cranksets purchased by Plaintiffs and the other Class Members, and demanded that they correct or agree to correct the actions described therein.

~~119.~~118. On January 2, 2024, Plaintiffs' counsel, on behalf of Plaintiffs all named Plaintiffs and Class Members, sent each Defendant a follow up notice letter reaffirming their alleged violations of the consumer protection statutes, and breaches of express and implied warranty statutes, in all in all 50 states and the District of Columbia relating to the defectively designed Class Bicycles and Defective Cranksets purchased by Plaintiffs and the other Class Members, and demanded that they correct or agree to correct the actions described therein.

~~120.~~119. Furthermore, Plaintiffs' counsel, on behalf of Plaintiffs and Class Members, provided Defendants with sufficient notice of their alleged violations of the consumer protection statutes, and breach of express and implied warranty statutes, by filing the initial complaint in this matter and in *Jose Erazo et al v. Shimano North America Bicycle, Inc. et al*, No. 8:23CV02174 (C.D. Cal. 2023).

**H. Safety Risks Associated with Use of the Class Bicycles and Defective Cranksets and Harm Suffered by Plaintiffs and the Other Class Members**

~~121.~~120. As a result of the safety risks to consumers associated with normal use of the Class Bicycles and Defective Cranksets, together with Defendants' misrepresentations, concealment and omission of these risks from the date they were first reported to Defendants or discovered by Defendants, the Class Bicycles and Defective Cranksets are subject to an inadequately narrow recall and have been rendered entirely worthless or, at the very least, have substantially diminished in

1 value.

2 ~~122.~~121. Material safety defects, like the Crankset Defect, affect the  
3 market price of a product. Consumers are not willing to overlook such dangers and  
4 would instead purchase a comparable product manufactured by another company  
5 without a recent history of wide-scale product recalls.

6 ~~123.~~122. The Defendants' recent recall instructs consumers to stop using  
7 the Class Bicycles and Defective Cranksets and subject their Class Bicycles and  
8 Defective Cranksets to a visual inspection at a local bike shop. This demonstrates  
9 that at the very least, the value of the Class Bicycles and Defective Cranksets has  
10 substantially diminished because bicyclists should not use them because separation  
11 or failure during use is a severe hazard to the bicyclist and potentially the public at  
12 large.

13 ~~124.~~123. As a result of the foregoing, the Defective Cranksets and Class  
14 Bicycles are worth less than the prices the Class Members paid for them. When  
15 assessing the value of a crankset or bicycle and whether to purchase it, neither the  
16 market nor any reasonable consumer would ignore the material danger involving  
17 bonded crank parts that separate and break, posing a crash hazard to consumers.  
18 Consequently, Plaintiffs paid more for their Defective Cranksets and Class Bicycles  
19 than they otherwise would have because of the Crankset Defect, or they purchased  
20 Defective Cranksets and/or Class Bicycles that they otherwise would not have  
21 purchased.

22 ~~125.~~124. By concealing the Crankset Defect, Defendants distorted and  
23 misrepresented the true value of every Defective Crankset and Class Bicycle. Every  
24 Plaintiff and Class member received a Defective Crankset and/or Class Bicycle with  
25 different characteristics and of different and substantially lesser value than they  
26 reasonably believed they were receiving. Accordingly, Plaintiffs and the other Class  
27 Members did not realize the benefit of their bargain in purchasing the Defective  
28



1 Cranksets and Class Bicycles, and their expectations as ordinary reasonable  
2 consumers were not met.

3 ~~126.~~125. Plaintiffs and the other Class Members did not receive the benefit  
4 of their bargain. They bargained for Class Bicycles and Defective Cranksets that  
5 were fit for their ordinary purpose and did not have any safety defect substantially  
6 likely to manifest and which could cause severe physical injury. By actively  
7 concealing and omitting this information from consumers, including at the point of  
8 sale, Plaintiffs and the other Class Members overpaid for the Class Bicycles and  
9 Defective Cranksets.

10 ~~127.~~126. The Defective Cranksets are but one of the broader sets of  
11 “drivetrain” or “groupset” bicycle components, which include not only the crankset  
12 but also, among other things, the brake levers/shift levers, rear derailleur, front  
13 derailleur, and cassette (the gear sprockets at the rear of the bike). Consumers often  
14 purchase these components as part of a single complete set, i.e., many consumers  
15 who purchased a Dura-Ace 9100 Defective Crankset also purchased matching Dura-  
16 Ace groupset components, all of which were designed and styled to go together on  
17 the bicycle. Because of the Defective Cranksets, many consumers will now be forced  
18 to either (a) purchase a non-matching crankset to replace the Defective Crankset,  
19 and incur the related performance and aesthetic cost, or (b) replace the entire  
20 groupset, and incur significant additional out-of-pocket expenses.

21 ~~128.~~127. Shimano’s September 21, 2023 recall of the Defective Cranksets  
22 was widely publicized in the cycling community, and Shimano’s inadequate recall  
23 remedy (i.e., only replacing those Defective Cranksets that have already begun to  
24 visibly delaminate or crack) sparked consternation among cyclists. Shimano’s  
25 limited recall has thus tainted the resale market for Defective Cranksets and Class  
26 Bicycles because, upon information and belief, subsequent purchasers will be less  
27 likely to shop for and purchase Class Bicycles out of concern that many will not  
28

1 qualify for replacement of the Defective Crankset under Shimano's recall.

2 ~~129.~~128. For these reasons, every Defective Crankset and Class Bicycle  
3 was worth less than what Plaintiffs and the other Class Members paid for them.  
4 Plaintiffs and the other Class Members suffered "price premium" damages in the  
5 amount they overpaid for the Class Bicycles and Defective Cranksets as a result of  
6 the hidden safety defect.

7 ~~130.~~129. Moreover, if consumers choose to discontinue using the Class  
8 Bicycles and Defective Cranksets for fear of injury, they must pay for another  
9 expensive replacement product—either a replacement bicycle or replacement  
10 crankset.

11 ~~131.~~130. Plaintiff and members of the Classes also suffered out-of-pocket  
12 and/or loss-of-use expenses and costs.

13 **TOLLING OF APPLICABLE STATUTE OF LIMITATIONS**

14 ~~132.~~131. Any applicable statutes of limitation have been tolled by the  
15 discovery rule and Defendants' knowing and active concealment of the defect.

16 ~~133.~~132. Plaintiffs and the other Class Members had no knowledge of the  
17 misconduct and concealment alleged herein, or of facts sufficient to place them on  
18 inquiry notice of the claims set forth herein, until September 2023 when Shimano  
19 recalled the Defective Crankset. Through no fault or lack of diligence, Plaintiffs and  
20 the other Class Members were deceived regarding the Crankset Defect and could not  
21 reasonably discover it or Defendants' deception with respect to the defect.

22 ~~134.~~133. Prior to purchasing and using the Class Bicycles and Defective  
23 Cranksets, Plaintiffs and the other Class Members had no reasonable way of knowing  
24 about the Class Bicycles' and Defective Cranksets' uniformly defective design  
25 resulting in unreasonable risk of separation, delamination, and failure during  
26 ordinary use. Further, Plaintiffs and members of the Classes did not discover and did  
27 not know facts that would have caused a reasonable person to suspect that  
28

1 Defendants were engaged in the conduct alleged herein. Prior to the recall, no  
2 information in the public domain was available to the Plaintiffs and the other Class  
3 Members sufficient to show the extent of Defendants' misconduct or the extent of  
4 the defect.

5 ~~135.~~134. Plaintiffs and the other Class Members are consumers who  
6 purchased Defective Cranksets and Class Bicycles. No information in the public  
7 domain was available to the Plaintiffs and the other Class Members prior to August  
8 2023 that revealed sufficient information to suggest that Defendants were involved  
9 in the misconduct or concealment alleged herein. Therefore, the statute of limitations  
10 did not begin to run because Plaintiffs and the other Class Members did not and could  
11 not discover their claims.

12 ~~136.~~135. In the alternative, the statute of limitations did not begin to run  
13 because the Defendants fraudulently concealed the Defective Cranksets until, at the  
14 earliest, September 2023. On information and belief, Defendant Shimano and the  
15 Bicycle Manufacturer Defendants have known of the defects in the cranksets for  
16 years, through, among other sources, pre- and post-market testing, customer  
17 complaints, warranty repairs, internal investigations, and/or public reporting.  
18 Defendants knew of the defects well before the Plaintiffs and many of Class  
19 Members purchased the Defective Cranksets and/or Class Bicycles, and have  
20 concealed from or failed to notify Plaintiffs, Class Members, and the public of the  
21 full and complete nature of the Crankset Defect.

22 ~~137.~~136. Plaintiffs and the other Class Members had no means of obtaining  
23 any facts or information concerning the proprietary materials constituting the  
24 Defective Cranksets, any aspect of Shimano's investigation into the Defective  
25 Cranksets (which Shimano refused to disclose publicly) or Shimano's dealings with  
26 the Bicycle Manufacturer Defendants, much less the fact that they had engaged in  
27 the misconduct and concealment alleged herein. For these reasons, the statute of  
28

1 limitations as to Plaintiffs' and Class Members' claims did not begin to run and has  
2 been tolled with respect to the claims that Plaintiffs and the other Class Members  
3 have alleged in this Complaint.

4 ~~138.~~137. Further, by failing to provide immediate notice of the risks of  
5 separation, delamination, and failure associated with ordinary use of the Class  
6 Bicycles and Defective Cranksets, and by refusing to publicly acknowledge the  
7 defect, Defendants actively concealed the defect from Plaintiffs and the other Class  
8 Members.

9 ~~139.~~138. As alleged above, Plaintiffs did not know and could not have  
10 known of the alleged defect in the Crankset and their Class Bicycle because he did  
11 not have notice of the facts giving rise to their claims. Plaintiffs first learned of the  
12 uniform defect in the Defective Cranksets and their Class Bicycles when Shimano  
13 announced its recall on September 21, 2023.

14 ~~140.~~139. Upon information and belief, Defendants intended their acts to  
15 conceal the facts and claims from Plaintiffs and the other Class Members.  
16 Defendants fraudulently concealed the defect in the Class Bicycles and Defective  
17 Cranksets until September 21, 2023, the date of the recall.

18 ~~141.~~140. Plaintiffs and the other Class Members were unaware of the facts  
19 alleged herein without any fault or lack of diligence on their part and could not have  
20 reasonably discovered Defendant's conduct.

21 ~~142.~~141. For this reason, any statute of limitations that otherwise may  
22 apply to the claims of Plaintiffs or Class Members should be tolled based on the  
23 discovery rule and Defendants' active concealment.

#### 24 **CLASS ACTION ALLEGATIONS**

25 ~~143.~~142. The claims of all Class Members derive directly from the same  
26 Defective Cranksets and Class Bicycles that were originally equipped with Defective  
27 Cranksets. This case is about the responsibility of Shimano and the Bicycle  
28

1 Manufacturer Defendants for their products, and the affirmative misrepresentations  
2 and concealment/omissions they made with respect to their products. Shimano and  
3 the Bicycle Manufacturer Defendants engaged in uniform and standardized conduct  
4 toward the Classes. They did not differentiate, in degree of care or candor, in their  
5 actions or inactions, or in the content of their statements or omissions, among  
6 individual Class Members. The objective facts are the same for all Class members.  
7 Within each cause of action asserted by the respective Classes, the same legal  
8 standards govern. Additionally, many states, and for some claims all states, share the  
9 same legal standards and elements of proof, facilitating the certification of multistate  
10 or nationwide classes for some or all claims. Accordingly, Plaintiffs bring this  
11 lawsuit as a class action on their own behalf and on behalf of all other persons  
12 similarly situated as members of the proposed Classes pursuant to Federal Rules of  
13 Civil Procedure 23(a) and (b)(3) and/or (b)(2). This action satisfies the numerosity,  
14 commonality, typicality, adequacy, predominance, and superiority requirements of  
15 those provisions.

16 **Nationwide Class:** All persons in the United States who purchased the Class  
17 Bicycles and Defective Cranksets during the Class Period other than for  
18 resale.

19 **California Subclass:** All persons in California who purchased the Class  
20 Bicycles and Defective Cranksets during the Class Period other than for  
21 resale.

22 **Florida Subclass:** All persons in Florida who purchased the Class Bicycles  
23 and Defective Cranksets during the Class Period other than for resale.

24 **Illinois Subclass:** All persons in Illinois who purchased the Class Bicycles  
25 and Defective Cranksets during the Class Period other than for resale.

26 **New York Subclass:** All persons in New York who purchased the Class  
27 Bicycles and Defective Cranksets during the Class Period other than for  
28 resale.

1 The Nationwide Class, California Subclass, Florida Subclass, Illinois Subclass, and  
2 New York Subclass are all referred to as the “Class” or the “Classes.” Members of  
3 each of the Classes are referred to, collectively, as “Class Members.”

4 ~~144.~~143. Excluded from the Classes are (a) any officers, directors or  
5 employees, or immediate family members of the officers, directors, or employees of  
6 any Defendant or any entity in which a Defendant has a controlling interest, (b) any  
7 legal counsel or employee of legal counsel for any Defendant, and (c) the presiding  
8 Judge in this lawsuit, as well as the Judge’s staff and their immediate family  
9 members.

10 ~~145.~~144. The “Class Period” begins on the date established by the Court’s  
11 determination of any applicable statute of limitations, after consideration of any  
12 tolling, discovery, concealment, and accrual issues, and ending on the date of the  
13 recall issued by Shimano.

14 ~~146.~~145. Plaintiff reserves the right to amend the definition of the Classes  
15 if discovery or further investigation reveals that the Classes should be expanded or  
16 otherwise modified.

17 ~~147.~~146. **Numerosity.** Class Members are so numerous and  
18 geographically dispersed that joinder of all Class Members is impracticable. While  
19 the exact number of Class Members remains unknown at this time, upon information  
20 and belief, there are hundreds of thousands of putative Class Members. Moreover,  
21 the number of members of the Classes may be ascertained from Defendants’ books  
22 and records. Individual joinder of all Class Members is impracticable. Each of the  
23 Classes is ascertainable because its members can be readily identified using sales  
24 records, production records, and other information kept by Shimano and the Bicycle  
25 Manufacturer Defendants or third parties in the usual course of business and within  
26 their control.

27 ~~148.~~147. **Common Questions of Law and Fact Predominate.** Common  
28



1 questions of law and fact exist for all Class Members and predominate over any  
2 questions affecting only individual Class Members. These common legal and factual  
3 questions include, but are not limited to, the following:

- 4 a. Whether the Defective Cranksets are defective;
- 5 b. Whether the Class Bicycles are equipped with the Defective Cranksets;
- 6 c. Whether the Defective Cranksets suffer from the same or substantially  
7 similar defect;
- 8 d. Whether Defendants knew or should have known about the defect, and,  
9 if so, for how long;
- 10 e. Whether the Defective Cranksets pose an unreasonable safety risk to  
11 consumers;
- 12 f. Whether the defective nature of the Defective Cranksets constitutes a  
13 material fact reasonable consumers would have considered in deciding  
14 whether to purchase a Defective Crankset or bicycle containing a  
15 Defective Crankset;
- 16 g. Whether Defendants made affirmative misrepresentations of material  
17 fact about the Defective Cranksets;
- 18 h. Whether Defendants had a duty to disclose the defective nature of the  
19 Defective Cranksets to Plaintiffs and the other Class Members;
- 20 i. Whether Defendants omitted and failed to disclose material facts about  
21 the Defective Cranksets;
- 22 j. Whether Defendants failed to appropriately warn Class members of the  
23 damages that could result from use of the Class Bicycles and Defective  
24 Cranksets;
- 25 k. Whether Defendants' concealment of the true nature of the Defective  
26 Cranksets induced Plaintiffs and the other Class Members to act to their  
27 detriment by purchasing the Defective Cranksets or bicycles containing  
28 the Defective Cranksets;
- l. Whether Defendants conduct tolls any or all applicable limitations  
periods by acts of fraudulent concealment, application of the discovery  
rule, or equitable estoppel;
- m. Whether Defendants misrepresented that the Defective Cranksets or  
bicycles containing the Defective Cranksets were safe, made of high-  
quality materials, and reliable;
- n. Whether Defendants engaged in unfair, deceptive, and unlawful acts or  
practices in trade or commerce by failing to disclose that the Defective  
Cranksets were defective;

- o. Whether Defendants' conduct, as alleged herein, was likely to mislead a reasonable consumer;
- p. Whether Defendants' statements, concealments, and omissions regarding the Defective Cranksets were material, in that a reasonable consumer could consider them important in purchasing, selling, maintaining, or operating the Defective Cranksets or bicycles containing the Defective Cranksets;
- q. Whether Defendants violated each of the States' consumer protection statutes, and if so, what remedies are available under those statutes;
- r. Whether the Defective Cranksets were unfit for the ordinary purposes for which they were used, in violation of the implied warranty of merchantability;
- s. Whether Class Members suffered an ascertainable loss of money or property, or other value as a result of Defendants' acts, and misrepresentations and omissions of material facts;
- t. Whether Plaintiffs and the other Class Members are entitled to a declaratory judgment stating that the Defective Cranksets are defective and/or not merchantable;
- u. Whether Defendants' unlawful, unfair, and/or deceptive practices harmed Plaintiffs and the other Class Members;
- v. Whether Defendants have been unjustly enriched by their conduct;
- w. Whether Class Members are entitled to equitable or injunctive relief and, if so, the nature of such relief; and
- x. What aggregate amounts of statutory penalties are sufficient to punish and deter Defendants and to vindicate statutory and public policy.

~~149.~~148. **Typicality.** Plaintiffs' claims are typical of those of the absent Class Members in that Plaintiffs and the Class Members each purchased and used the Class Bicycles and Defective Cranksets and each sustained damages arising from Defendants' wrongful conduct, as alleged more fully herein. Plaintiffs share the aforementioned facts and legal claims or questions with putative members of the Classes. Plaintiffs and all members of the putative Classes have been similarly affected by Defendants' common course of conduct alleged herein. Plaintiff and all members of the putative Classes sustained monetary and economic injuries including, but not limited to, ascertainable loss arising out of Defendants' actions, and misrepresentations and omissions regarding the Class Bicycles and Defective

1 Cranksets.

2 ~~150.~~149. **Adequacy.** Plaintiffs will fairly and adequately protect the  
3 interests of the Classes. By prevailing on their own claims, Plaintiffs will establish  
4 Defendants' liability to all Class Members. Plaintiffs' counsel are unaware of any  
5 conflicts of interest between Plaintiffs as class representatives and absent Class  
6 Members with respect to the matters at issue in this litigation; Plaintiffs will  
7 vigorously prosecute the suit on behalf of the Classes. Plaintiffs have retained  
8 counsel with substantial experience in handling complex class action litigation,  
9 including complex questions that arise in this type of consumer protection litigation.  
10 Further, Plaintiffs and their counsel are committed to the vigorous prosecution of  
11 this action.

12 ~~151.~~150. **Insufficiency of Separate Actions.** Absent a class action,  
13 Plaintiff and members of the Classes will continue to suffer the harm described  
14 herein, for which they would have no remedy. Even if individual consumers could  
15 bring separate actions, the resulting multiplicity of lawsuits would cause undue  
16 burden and expense for both the Court and the litigants, as well as create a risk of  
17 inconsistent rulings and adjudications that might be dispositive of the interests of  
18 similarly situated consumers, substantially impeding their ability to protect their  
19 interests, while establishing incompatible standards of conduct for Defendants.

20 ~~152.~~151. **Injunctive Relief.** Defendants have acted or refused to act on  
21 grounds generally applicable to Plaintiffs and all Class Members, thereby making  
22 appropriate final injunctive relief, as described below, concerning the Class  
23 Members as a whole.

24 ~~153.~~152. **Superiority.** A class action is superior to any other available  
25 methods for the fair and efficient adjudication of the present controversy for at least  
26 the following reasons:

- 27 a. The damages suffered by each individual member of the putative  
28 Classes do not justify the burden and expense of individual prosecution

1 of the complex and extensive litigation necessitated by Defendants'  
2 conduct;

3 b. Even if individual members of the Classes had the resources to pursue  
4 individual litigation, it would be unduly burdensome to the courts in  
5 which the individual litigation would proceed;

6 c. The claims presented in this case predominate over any questions of  
7 law or fact affecting individual members of the Classes;

8 d. Individual joinder of all members of the Classes is impracticable;

9 e. Absent a class action, Plaintiffs and members of the putative Classes  
10 will continue to suffer harm as a result of Defendants' unlawful  
11 conduct; and

12 f. This action presents no difficulty that would impede its management by  
13 the Court as a class action, which is the best available means by which  
14 Plaintiff and members of the putative Classes can seek redress for the  
15 harm caused by Defendants.

16 ~~154.~~153. In the alternative, the Classes may be certified for the following  
17 reasons:

18 a. The prosecution of separate actions by individual members of the  
19 Classes would create a risk of inconsistent or varying adjudication  
20 concerning individual members of the Classes, which would establish  
21 incompatible standards of conduct for Defendants;

22 b. Adjudications of claims of the individual members of the Classes  
23 against Defendants would, as a practical matter, be dispositive of the  
24 interests of other members of the putative Classes who are not parties  
25 to the adjudication and may substantially impair or impede the ability  
26 of other putative Class Members to protect their interests; and

27 c. Defendants have acted or refused to act on grounds generally applicable  
28 to the members of the putative Classes, thereby making appropriate  
final and injunctive relief concerning the putative Classes as a whole.

~~155.~~154. The Classes expressly disclaim any recovery in this action for  
physical injury resulting from the Defective Cranksets without waiving or  
dismissing such claims. Injuries suffered in bicycle crashes as a result of Defective

1 Cranksets constitute evidence supporting various claims, including diminution of  
2 value, and are continuing to occur because of Shimano's delays and inaction  
3 regarding the commencement and completion of a meaningful recall. The increased  
4 risk of injury from the Defective Cranksets serves as an independent justification for  
5 the relief sought by Plaintiffs and the other Class Members.

6 **INADEQUACY OF LEGAL REMEDIES**

7 ~~156.~~155. In the alternative to those claims seeking remedies at law,  
8 Plaintiffs and the other Class Members allege that no plain, adequate, and complete  
9 remedy exists at law to address Defendants' unlawful and unfair business practices.  
10 The legal remedies available to Plaintiff are inadequate because they are not "equally  
11 prompt and certain and in other ways efficient" as equitable relief. *Am. Life Ins. Co.*  
12 *v. Stewart*, 300 U.S. 203, 214 (1937); *see also United States v. Bluit*, 815 F. Supp.  
13 1314, 1317 (N.D. Cal. Oct. 6, 1992) ("The mere existence' of a possible legal remedy  
14 is not sufficient to warrant denial of equitable relief."); *Quist v. Empire Water Co.*,  
15 2014 Cal. 646, 643 (1928) ("The mere fact that there may be a remedy at law does  
16 not oust the jurisdiction of a court of equity. To have this effect, the remedy must also  
17 be speedy, adequate, and efficacious to the end in view ... It must reach the whole  
18 mischief and secure the whole right of the party in a perfect manner at the present  
19 time and not in the future.").

20 ~~157.~~156. Additionally, unlike damages, the Court's discretion in fashioning  
21 equitable relief is very broad and can be awarded when the entitlement to damages  
22 may prove difficult. *Cortez v. Purolator Air Filtration Prods. Co.*, 23 Cal.4th 163,  
23 177-80 (2000) (restitution under the UCL can be awarded "even absent individualized  
24 proof that the claimant lacked knowledge of the overcharge when the transaction  
25 occurred.").

26 ~~158.~~157. Thus, restitution would allow recovery even when normal  
27 consideration associated with damages would not. *See, e.g., Fladeboe v. Am. Isuzu*  
28

1 *Motors Inc.*, 150 Cal. App. 4th 42, 68 (2007) (noting that restitution is available even  
2 when damages are unavailable). Furthermore, the standard and necessary elements  
3 for a violation of the UCL “unfair” prong and for quasi-contract/unjust enrichment  
4 are different from the standard that governs a legal claim. Additionally, Plaintiffs seek  
5 injunctive relief that may not be available as legal damages.

6 ~~159.~~158. Moreover, Plaintiffs are unable to assess whether the cranksets  
7 Defendants sell or will sell are similarly defective (*i.e.*, the Crankset Defect) because  
8 Plaintiffs do not possess the specialized knowledge or equipment required to identify  
9 and analyze the defect. Plaintiffs would purchase Defendants’ products in the future  
10 if they believed Defendants’ representations were accurate.

11 **CLAIMS ASSERTED ON BEHALF OF THE NATIONWIDE CLASS**

12 **A. COUNT I: FRAUD**

13 ~~160.~~159. Plaintiffs reallege and incorporate by reference each of the  
14 allegations in Paragraphs 1-15~~8~~9, above, as though fully set forth herein.

15 ~~161.~~160. Plaintiffs bring this fraud count, under both the misrepresentation  
16 and omission/concealment theories, under California law, individually and on behalf  
17 of the Nationwide Class against all Defendants.

18 ~~162.~~161. Alternatively, Plaintiffs bring this claim on behalf of themselves  
19 and the Nationwide Class under the common law of fraud, both by misrepresentation  
20 and omission/concealment, as there are no true conflicts among the states’ laws of  
21 fraudulent concealment.

22 ~~163.~~162. For purposes of this count, members of the Nationwide Class shall  
23 be referred to as “Class Members.”

24 ~~164.~~163. For purposes of this count, Shimano and the Bicycle Manufacturer  
25 Defendants are collectively referred to as “Defendants.”  
26  
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1           **1.     Affirmative Misrepresentation**

2           ~~165.~~164. Defendants represented and marketed the Class Bicycles and  
3 Defective Cranksets as strong, of high-quality, durable, dependable, and reliable.  
4 These representations signal to consumers that the Defective Cranksets are “safe” for  
5 ordinary use.

6           ~~166.~~165. The strength, quality, durability, dependability and reliability of  
7 the Defective Cranksets and the Class Bicycles in which the Defective Cranksets were  
8 installed were material facts because a reasonable person would find it important in  
9 purchasing or retaining a new or used bicycle and because it directly impacts the value  
10 of the Class Bicycles and Defective Cranksets purchased by Plaintiffs and the other  
11 Class Members.

12           ~~167.~~166. Defendants’ representations regarding the Defective Cranksets  
13 and Class Bicycles’ strength, quality, durability, dependability and reliability—again,  
14 all terms that signal “safety” to consumers and the bicycling community—were false  
15 because the Class Bicycles and Defective Cranksets contain the Crankset Defect that  
16 causes the cranksets to break during normal use. In doing so, the presence of the  
17 Crankset Defect makes the Defective Cranksets and Class Bicycles unsafe for normal  
18 use.

19           ~~168.~~167. Defendants knew that their representations were false and  
20 intended Plaintiffs and the other Class Members to rely on them, which they did by  
21 purchasing the Class Bicycles and Defective Cranksets at the prices they paid  
22 believing that they would not have a Crankset Defect that would affect the quality,  
23 reliability, durability, strength and safety of the Class Bicycles and Defective  
24 Cranksets.

25           ~~169.~~168. Plaintiffs’ and Class Members’ reliance was reasonable because a  
26 reasonable consumer would not have expected that the Class Bicycles and Defective  
27 Cranksets contained a safety defect that poses such a serious risk. They had no way  
28

1 of learning the facts that Defendants had concealed or failed to disclose. Plaintiffs and  
2 the other Class Members did not, and could not, unravel Defendants' deception on  
3 their own.

4 ~~170.~~169. Had Plaintiffs and the other Class Members known of the Crankset  
5 Defect within the Class Bicycles or Defective Cranksets, they would not have  
6 purchased the Class Bicycles or Defective Cranksets or would have paid less for them.

7 ~~171.~~170. As a direct and proximate result of Defendants' omissions and  
8 concealment, Plaintiffs and other Class Members either overpaid for the Class  
9 Bicycles or Defective Cranksets, or would not have purchased the Class Bicycles or  
10 Defective Cranksets at all if the Crankset Defect had been disclosed to them.  
11 Accordingly, Defendants are liable to Plaintiffs and the other Class Members for their  
12 damages in an amount to be proven at trial.

13 ~~172.~~171. Defendants acted maliciously, oppressively, deliberately, with  
14 intent to defraud; in reckless disregard of the Plaintiffs' and Class Members' rights  
15 and well-being; and to enrich themselves. Defendants' misconduct warrants an  
16 assessment of punitive damages, as permitted by law, in an amount sufficient to deter  
17 such conduct in the future, which amount shall be determined according to proof at  
18 trial.

## 19 **2. Omission/Concealment**

20 ~~173.~~172. Defendants are liable for fraud by omission, concealment, and/or  
21 non-disclosure. *See, e.g.,* Restatement (Second) of Torts §§ 550-51 (1977).

22 ~~174.~~173. Defendants owed Plaintiffs and the other Class Members a duty  
23 to disclose all the material facts concerning the Defective Cranksets in the Class  
24 Bicycles and Defective Cranksets because:

- 25 a. Given the Defendants' role in the design, manufacture, pre-sale testing,  
26 sale, and post-sale monitoring of the Class Bicycles and Defective  
27 Cranksets, and their experience and knowledge as experts and long-time  
28

1 veterans of the bicycle industry, they possessed exclusive access to and  
2 were in a superior position to know the true facts about the Class  
3 Bicycles and Defective Cranksets;

4 b. Given Shimano's design, development, testing and manufacture of the  
5 Defective Cranksets and its experience and knowledge as an expert and  
6 long-time veteran of the bicycle industry, it, along with the Bicycle  
7 Manufacturer Defendants, possessed exclusive access to and was in a  
8 superior position to know the true facts about the Defective Cranksets,  
9 including their component parts, tolerances, design, adhesive properties,  
10 and other information not known to Plaintiffs or Class Members;

11 c. Defendants knew that the Class Bicycles and Defective Cranksets gave  
12 rise to serious safety concerns for the consumers who purchased the  
13 Class Bicycles and Defective Cranksets;

14 d. Given the Crankset Defect's hidden, proprietary, and technical nature,  
15 Plaintiffs and the other Class Members lacked the sophisticated  
16 expertise in bicycle and crankset components and design and  
17 technology necessary to discover that the Class Bicycles and Defective  
18 Cranksets were defective;

19 e. Plaintiffs and the Class Members could not reasonably have been  
20 expected to learn or discover that the Class Bicycles and Defective  
21 Cranksets had a safety defect before purchase;

22 f. Defendants knew that Plaintiffs and the other Class Members could not  
23 reasonably have been expected to learn or discover the defect and the  
24 associated repair or replacement costs;

25 g. Defendants knew that the Class Bicycles and Defective Cranksets, and  
26 the defect therein, gave rise to serious safety concerns for consumers  
27 who purchased them;  
28

- 1 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm  
2 in that, among other things, the Defective Cranksets can break during  
3 normal use and riding, causing loss of balance and accidents that can lead  
4 to severe and potentially fatal injuries;
- 5 i. Defendants knew about and investigated the Crankset Defect, but then  
6 did not notify consumers about it, disclose the Crankset Defect to CPSC,  
7 or further launch a comprehensive recall for all Class Bicycles and  
8 Defective Cranksets, which individually and together deprived Plaintiffs  
9 of an opportunity that otherwise could have led them to discover the truth  
10 about the Crankset Defect in their Class Bicycles and Defective  
11 Cranksets;
- 12 j. Defendants actively concealed the defect and the associated repair and  
13 replacement costs by responding to negative reviews and inquiries  
14 without disclosing the defect, asserting that the Class Bicycles and  
15 Defective Cranksets were not defective, asserting that non-design factors  
16 caused problems with the Defective Cranksets, and replacing defectively  
17 designed Class Bicycles and Defective Cranksets with identical  
18 defectively designed Class Bicycles and Defective Cranksets; and
- 19 k. Defendants made, helped to make, or conspired to make partial and  
20 incomplete representations about strength, safety, quality, durability,  
21 dependability and reliability of the Class Bicycles and Defective  
22 Cranksets, while purposefully withholding material facts about a known  
23 safety defect. Because they volunteered to provide information about the  
24 Class Bicycles and Defective Cranksets that they marketed and offered  
25 for sale to consumers, Defendants had the duty to disclose the whole  
26 truth. In breach of their duties, Defendants failed to disclose the Crankset  
27 Defect and that the Class Bicycles and Defective Cranksets were not  
28

1 strong, safety, high-quality, durable, or free of defects to Plaintiffs and  
2 the other Class Members in connection with the sale of the Class  
3 Bicycles and Defective Cranksets.

4 ~~175.~~174. The Crankset Defect within the Class Bicycles and Defective  
5 Cranksets is material to the sale of the of the Class Bicycles and Defective Cranksets  
6 because a reasonable person would find it important in purchasing or retaining a new  
7 or used bicycle and because it directly impacts the value of the Class Bicycles and  
8 Defective Cranksets purchased by Plaintiffs and the other Class Members.

9 ~~176.~~175. Defendants intended for Plaintiffs and the other Class Members to  
10 rely on their omissions and concealment—which they did by purchasing the Class  
11 Bicycles and Defective Cranksets at the prices they paid believing that they would not  
12 have a Crankset Defect that would affect the quality, reliability, durability, strength  
13 and safety of the Class Bicycles and Defective Cranksets.

14 ~~177.~~176. Plaintiffs' and Class Members' reliance was reasonable because a  
15 reasonable consumer would not have expected that the Class Bicycles and Defective  
16 Cranksets contained a safety defect that poses such a serious risk. They had no way  
17 of learning the facts that Defendants had concealed or failed to disclose. Plaintiffs and  
18 the other Class Members did not, and could not, unravel Defendants' deception on  
19 their own.

20 ~~178.~~177. Defendants actively concealed and suppressed these material  
21 facts, in whole or in part, to maintain a market for the Class Bicycles and Defective  
22 Cranksets installed in them, and the Defective Cranksets themselves, to protect  
23 profits, and to avoid costly recalls that would expose them to liability for those  
24 expenses and harm the commercial reputations of Defendants and their products.  
25 They did so at the expense of Plaintiffs and the other Class Members.

1 ~~179.~~178. If Defendants had fully and adequately disclosed the Crankset  
2 Defect to consumers, Plaintiffs and the other Class Members would have seen such a  
3 disclosure.

4 ~~180.~~179. Through their omissions and concealment with respect to the  
5 Crankset Defect within the Class Bicycles and Defective Cranksets, Defendants  
6 intended to induce, and did induce, Plaintiffs and the other Class Members to either  
7 purchase a Class Bicycle or a Defective Crankset that they otherwise would not have  
8 purchased, or pay more for than they otherwise would have paid for a Class Bicycle  
9 or Defective Crankset.

10 ~~181.~~180. Had Plaintiffs and the other Class Members known of the Crankset  
11 Defect within the Class Bicycles or Defective Cranksets, they would not have  
12 purchased the Class Bicycles or Defective Cranksets or would have paid less for them.

13 ~~182.~~181. As a direct and proximate result of Defendants' omissions and  
14 concealment, Plaintiffs and other Class Members either overpaid for the Class  
15 Bicycles or Defective Cranksets, or would not have purchased the Class Bicycles or  
16 Defective Cranksets at all if the Crankset Defect had been disclosed to them.  
17 Accordingly, Defendants are liable to Plaintiffs and the other Class Members for their  
18 damages in an amount to be proven at trial.

19 ~~183.~~182. Defendants acted maliciously, oppressively, deliberately, with  
20 intent to defraud; in reckless disregard of the Plaintiffs' and Class Members' rights  
21 and well-being; and to enrich themselves. Defendants' misconduct warrants an  
22 assessment of punitive damages, as permitted by law, in an amount sufficient to deter  
23 such conduct in the future, which amount shall be determined according to proof at  
24 trial.

25 **B. COUNT II: UNJUST ENRICHMENT**

26 ~~184.~~183. Plaintiffs reallege and incorporate by reference each of the  
27 allegations in Paragraphs 1-15~~89~~, above, as though fully set forth herein.  
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1 ~~185.~~184. Plaintiffs bring this count under California law, individually and  
2 on behalf of the other members of the Nationwide Class against all Defendants.

3 ~~186.~~185. Alternatively, Plaintiffs bring this claim on behalf of themselves  
4 and the Nationwide Class under the common law of unjust enrichment, as there are  
5 no true conflicts among the states' laws of unjust enrichment.

6 ~~187.~~186. For purposes of this count, members of the Nationwide Class  
7 shall be referred to as "Class Members."

8 ~~188.~~187. When they purchased the Class Bicycles or Defective Cranksets,  
9 Plaintiffs and the other Class Members conferred a tangible and material economic  
10 benefits on Defendants. Defendants readily accepted and retained the benefits.

11 ~~189.~~188. Plaintiffs and Class Members would not have purchased the  
12 Defective Cranksets or Class Bicycles, or would have paid less for them, had they  
13 known of the Crankset Defect at the time of purchase. Therefore, Defendants profited  
14 from the sale of the Defective Cranksets and Class Bicycles to the detriment and  
15 expense of Plaintiffs and the other Class Members.

16 ~~190.~~189. Defendants knew or should have known that the payments  
17 rendered by Plaintiffs and the other Class Members were given with the expectation  
18 that the Class Bicycles and Defective Cranksets would have the qualities,  
19 characteristics, and suitability for use represented and warranted by Defendants.  
20 Defendants appreciated the economic benefits. The benefits were the expected result  
21 of Defendants acting in their own pecuniary interest at the expense of Plaintiffs and  
22 the other Class Members. Defendants knew of the benefits they were receiving  
23 because they were aware of the Crankset Defect in the Class Bicycles and Defective  
24 Cranksets, yet they failed to disclose this knowledge and misled Plaintiffs and the  
25 other Class Members regarding the nature and quality of the Class Bicycles and  
26 Defective Cranksets while profiting from their deception. As such, it would be unjust,  
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1 inequitable and unconscionable for Defendants to retain the benefit of the payments  
2 under these circumstances.

3 ~~191.~~190. By their wrongful acts and omissions described herein, including  
4 selling the Class Bicycles and Defective Cranksets which contain the Crankset Defect,  
5 Defendants were unjustly enriched at the expense of Plaintiffs and the other Class  
6 Members.

7 ~~192.~~191. Plaintiffs' and Class Members' detriment and Defendants'  
8 enrichment were related to and flowed from the wrongful conduct challenged in this  
9 Complaint.

10 ~~193.~~192. Defendants have profited from their unlawful, unfair, misleading,  
11 and deceptive practices at the expense of Plaintiffs and the other Class Members. It  
12 would be unjust, inequitable, and unconscionable for Defendants to retain the profits,  
13 benefits, and other compensation obtained from their wrongful conduct alleged  
14 herein.

15 ~~194.~~193. Defendants have been unjustly enriched in retaining the revenues  
16 derived from Plaintiffs' and Class Members' purchases of Class Bicycles and  
17 Defective Cranksets, which retention of such revenues under these circumstances is  
18 unjust and inequitable because Defendants manufactured the Class Bicycles and  
19 Defective Cranksets, and Defendants affirmatively misrepresented and omitted and/or  
20 concealed the nature of the Class Bicycles and Defective Cranksets, and knowingly  
21 marketed and promoted dangerous and Class Bicycles and Defective Cranksets,  
22 which injured Plaintiffs and the other Class Members because they would not have  
23 purchased the Class Bicycles and Defective Cranksets based on the exact  
24 representations if the true facts concerning the Class Bicycles and Defective Cranksets  
25 had been known.

26 ~~195.~~194. Plaintiffs and putative Class Members are entitled to restitution  
27 and to recover from Defendants all amounts wrongfully collected and improperly  
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1 retained by Defendants in the amount necessary to return Plaintiffs and the other Class  
2 Members to the position they occupied prior to dealing with Defendants, with such  
3 amounts to be determined at trial.

4 ~~196.~~195. As a direct and proximate result of Defendants' wrongful conduct  
5 and unjust enrichment, Plaintiffs and putative Class Members are entitled to  
6 restitution of, disgorgement of, and/or imposition of a constructive trust upon all  
7 profits, benefits, and other compensation obtained by Defendants for their inequitable  
8 and unlawful conduct.

9 ~~197.~~196. Plaintiffs plead this claim separately as well as in the alternative  
10 to claims for damages under Fed. R. Civ. P. 8(a)(3), because if the Court dismisses  
11 Plaintiffs' claims for damages or enters judgment on them in favor of the Defendants,  
12 Plaintiffs will have no adequate legal remedy.

13 C. **COUNT III: VIOLATIONS OF CALIFORNIA'S CONSUMER LEGAL**  
14 **REMEDIES ACT (CAL. CIV. CODE §§ 1750, *ET SEQ.*)**

15 (Against Shimano, Specialized and Giant Defendants)

16 ~~198.~~197. Plaintiffs reallege and incorporate by reference each of the  
17 allegations in Paragraphs 1-15~~8~~9, above, as though fully set forth herein.

18 ~~199.~~198. Plaintiffs bring this count, individually and on behalf of the other  
19 members of the Nationwide Class against Shimano, Specialized and Giant Defendants  
20 for their respective Class Bicycles and Defective Cranksets.

21 ~~200.~~199. For purposes of this count, members of the Nationwide Class shall  
22 be referred to as "Class Members."

23 ~~201.~~200. For purposes of this count, Shimano, Specialized and Giant shall  
24 be referred to as "Defendants."

25 ~~202.~~201. Defendants are "persons" under Cal. Civ. Code §1761(c).  
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1 ~~203.~~202. Plaintiffs and the other Class Members are “consumers” under  
2 Cal. Civ. Code §1761(d) because they purchased the Defective Cranksets and/or Class  
3 Bicycles primarily for personal, family, or household use.

4 ~~204.~~203. The purchase of the Defective Cranksets and/or Class Bicycles by  
5 Plaintiffs and the other Class Members constitute “transactions” within the meaning  
6 of Cal. Civ. Code § 1761(e).

7 ~~205.~~204. The Defective Cranksets and the Class Bicycles are “goods” under  
8 Cal. Civ. Code § 1761(a).

9 ~~206.~~205. The California Consumer Legal Remedies Act (“CLRA”)  
10 prohibits deceptive practices concerning the conduct of a business that provides  
11 goods, property, or services primarily for personal, family, or household purposes.

12 ~~207.~~206. Defendants, directly and through their agents, employees, and/or  
13 subsidiaries, violated the CLRA by knowingly and intentionally misrepresenting,  
14 omitting, concealing, and/or failing to disclose material facts regarding the reliability,  
15 safety, and performance of the Class Bicycles and Defective Cranksets, as detailed  
16 above.

17 ~~208.~~207. Defendants’ violations of the CLRA occurred repeatedly in their  
18 trade or practice—including the design, manufacture, distribution, marketing, and  
19 sale the Class Bicycles and Defective Cranksets.

20 ~~209.~~208. Defendants had an ongoing duty to Plaintiffs and the other Class  
21 Members to refrain from unfair or deceptive practices under the CLRA in the course  
22 of their business. Specifically, Defendants owed Plaintiffs and the other Class  
23 Members a duty to disclose all the material facts concerning the Defective Cranksets  
24 and the Defective Cranksets in the Class Bicycles because:

- 25 a. Given the Defendants’ role in the design, manufacture, testing, and sale  
26 of the Class Bicycles and Defective Cranksets, and their experience and  
27 knowledge as experts and long-time veterans of the bicycle industry,  
28

- 1 they possessed exclusive access to and were in a superior position to  
2 know the true facts about the Class Bicycles and Defective Cranksets;
- 3 b. Given Shimano's design, development, testing and manufacture of the  
4 Defective Cranksets and its experience and knowledge as an expert and  
5 long-time veteran of the bicycle industry, it, along with the Bicycle  
6 Manufacturer Defendants, possessed exclusive access to and was in a  
7 superior position to know the true facts about the Defective Cranksets;
- 8 c. Defendants knew that the Class Bicycles and Defective Cranksets gave  
9 rise to serious safety concerns for the consumers who purchased the  
10 Class Bicycles and Defective Cranksets;
- 11 d. Given the Crankset Defect's hidden and technical nature, Plaintiffs and  
12 the other Class Members lacked the sophisticated expertise in bicycle  
13 and crankset components and design and technology necessary to  
14 discover that the Class Bicycles and Defective Cranksets were defective;
- 15 e. Plaintiffs and the Class Members could not reasonably have been  
16 expected to learn or discover that the Class Bicycles and Defective  
17 Cranksets had a safety defect before purchase;
- 18 f. Defendants knew that Plaintiffs and the other Class Members could not  
19 reasonably have been expected to learn or discover the defect and the  
20 associated repair or replacement costs;
- 21 g. Defendants knew that the Class Bicycles and Defective Cranksets, and  
22 the defect therein, gave rise to serious safety concerns for consumers  
23 who purchased them;
- 24 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm  
25 in that, among other things, the Defective Cranksets can break during  
26 normal use and riding, causing loss of balance and accidents that can lead  
27 to severe and potentially fatal injuries;
- 28

- 1 i. Defendants knew about and investigated the Crankset Defect, but then  
2 did not notify consumers about it, disclose the Crankset Defect to CPSC,  
3 or further launch a comprehensive recall for all Class Bicycles and  
4 Defective Cranksets, which individually and together deprived Plaintiffs  
5 of an opportunity that otherwise could have led them to discover the truth  
6 about the Crankset Defect in their Class Bicycles and Defective  
7 Cranksets;
- 8 j. Defendants actively concealed the defect and the associated repair and  
9 replacement costs by responding to negative reviews and inquiries  
10 without disclosing the defect, asserting that the Class Bicycles and  
11 Defective Cranksets were not defective, asserting that non-design factors  
12 caused problems with the Defective Cranksets, and replacing defectively  
13 designed Class Bicycles and Defective Cranksets with identical  
14 defectively designed Class Bicycles and Defective Cranksets; and
- 15 k. Defendants made, helped to make, or conspired to make partial and  
16 incomplete representations about strength, safety, quality, durability,  
17 dependability and reliability of the Class Bicycles and Defective  
18 Cranksets, while purposefully withholding material facts about a known  
19 safety defect. Because they volunteered to provide information about the  
20 Class Bicycles and Defective Cranksets that they marketed and offered  
21 for sale to consumers, Defendants had the duty to disclose the whole  
22 truth.

23 ~~210.~~209. By misrepresenting the Class Bicycles and Defective Cranksets as  
24 strong, high-quality, safe, dependable, durable, reliable, properly-functioning and free  
25 from defects, and/or by failing to disclose and actively concealing the dangers and  
26 risk posed by the Crankset Defect to consumers and CPSC, Defendants engaged in  
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one or more of the following unfair or deceptive business practices as defined in Cal. Civ. Code § 1770(a):

- a. Representing that the Class Bicycles and Defective Cranksets had a characteristic that they did not actually have—i.e., that they were strong, high-quality, safe, dependable, durable, reliable, properly-functioning and free from defects suitable for normal use, when, in fact, they were not because the Class Bicycles and Defective Cranksets were defectively designed such that they had an unreasonably dangerous propensity to break, causing accidents and injuries;
- b. Representing that the Class Bicycles and the Defective Cranksets were of a particular quality, grade, or standard when, in fact, they were not of that quality, grade, or standard;
- c. Concealing and failing to disclose that the Class Bicycles and Defective Cranksets were inherently defective, defectively designed, and not suitable for their intended use despite advertising them as safe and suitable for their intended function; and
- d. Failing to market, distribute, and sell the Class Bicycles and Defective Cranksets in accordance with Defendants’ previous representations—i.e., that the Class Bicycles and Defective Cranksets s were strong, high-quality, safe, dependable, durable, reliable and suitable for their intended use, when, in fact, they were not because of the Crankset Defect.

Cal. Civ. Code §§ 1770(a)(5), (7), (9), and (16).

~~211.~~210. Defendants’ unfair or deceptive acts or practices, including their misrepresentations, concealments, omissions, and/or suppressions of material facts, were designed to mislead and had a tendency or capacity to mislead and create a false impression in consumers that the Class Bicycles and Defective Cranksets were strong, safe, dependable, durable and reliable, and had properly-functioning cranksets that

1 would properly function and be reliable. Defendants' misrepresentations,  
2 concealments, omissions, and suppressions of material facts did, in fact, deceive  
3 reasonable consumers, including Plaintiffs and the other Class Members, about the  
4 true safety, strength, dependability, durability, and reliability of the Class Bicycles  
5 and Defective Cranksets.

6 ~~212.~~211. Defendants intended for Plaintiffs and the other Class Members to  
7 rely on their misrepresentations, omissions, and concealment – which they did by  
8 purchasing the Defective Cranksets and Class Bicycles at the prices they paid  
9 believing that their Defective Cranksets and Class Bicycles would not have a Crankset  
10 Defect that would affect the strength, quality, durability, dependability, reliability,  
11 and safety of the Class Bicycles and the Defective Cranksets.

12 ~~213.~~212. Defendants' misrepresentations, concealments, omissions, and  
13 suppressions of material facts regarding the Crankset Defect and true characteristics  
14 of the Defective Cranksets and Class Bicycles were material to the decisions of  
15 Plaintiffs and the other Class Members to purchase those cranksets and bicycles, as  
16 Defendants intended. Plaintiffs and the other Class Members were exposed to those  
17 misrepresentations, concealments, omissions, and suppressions of material facts, and  
18 relied on Defendants' misrepresentations that the Class Bicycles and their Defective  
19 Cranksets were safe and reliable in deciding to purchase the Class Bicycles and  
20 Defective Cranksets.

21 ~~214.~~213. Plaintiffs' and Class Members' reliance was reasonable, as they  
22 had no way of discerning that Defendants' representations were false and misleading,  
23 or otherwise learning the facts that Defendants had concealed or failed to disclose.  
24 Plaintiffs and the other Class Members did not, and could not, unravel Defendants'  
25 deception on their own.

26 ~~215.~~214. A reasonable consumer would have considered them important in  
27 deciding whether to purchase Defendants' Class Bicycles and Defective Cranksets or  
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1 pay a lesser price. Had they known the truth about the Crankset Defect, Plaintiffs and  
2 the Class members would not have purchased the Defective Cranksets and/or Class  
3 Bicycles, or would have paid significantly less for them.

4 ~~216.~~215. Defendants could have and should have prominently disclosed the  
5 defect on the product listings on its website, on product packaging, and to third-party  
6 retailers. Had Defendants disclosed the Crankset Defect in this manner, Plaintiffs,  
7 Class Members and reasonable consumers would have been aware of it.

8 ~~217.~~216. Defendants profited from selling the falsely, deceptively, and  
9 unlawfully advertised Class Bicycles and Defective Cranksets to unwary purchasers.

10 ~~218.~~217. As a direct and proximate result of Defendants' deceptive  
11 practices, Plaintiffs and the other Class Members have sustained economic injury and  
12 loss – either by purchasing a crankset or bicycle they otherwise would not have  
13 purchased or paying more than they otherwise would have as a result of Defendants'  
14 actions and omissions alleged above – that first occurred at the time each Defective  
15 Crankset and/or Class Bicycle was purchased.

16 ~~219.~~218. Defendants' violations present a continuing risk to Plaintiffs and  
17 the other Class Members, as well as to the general public, because the Class Bicycles  
18 and Defective Cranksets remain unsafe due to the Crankset Defect therein.  
19 Defendants' unlawful acts and practices complained of herein affect the public  
20 interest.

21 ~~220.~~219. Plaintiffs and the other Class Members timely provided  
22 Defendants notice of the issues raised in this count and this Complaint and an  
23 opportunity to cure, as alleged in the paragraphs addressing Defendants' notice,  
24 above. Because Defendants failed to adequately remedy their unlawful conduct,  
25 Plaintiffs seeks all damages and relief to which Plaintiffs and the other Class Members  
26 are entitled.

1 ~~221.~~220. Alternatively, Plaintiffs and the other Class Members were  
2 excused from providing Defendants with notice and an opportunity to cure the breach,  
3 because it would have been futile. As alleged above, Defendants knew about the  
4 Crankset Defect for years. Moreover, although Shimano issued a recall, that recall is  
5 inadequate because, inter alia: (a) it is belated because Defendants knew about the  
6 Defective Cranksets, including Defective Cranksets included in Class Bicycles, for  
7 years and did nothing to recall or remedy the serious safety defect; (b) with hundreds  
8 of thousands of Class Bicycles and Defective Cranksets impacted in existing and  
9 potential future recalls, as a result of Defendants' misrepresentations about and  
10 omission/concealment of the Crankset Defect, the recalls cannot be implemented  
11 effectively due to supply constraints and resulting delays; and (c) the recalls are  
12 incomplete, and apply to only a subset of the Class Bicycles and Defective Cranksets.

13 ~~222.~~221. Defendants' violations present a continuing risk to Plaintiffs and  
14 the other Class Members, as well as to the general public, because the Class Bicycles  
15 and Defective Cranksets remain unsafe due to the defect therein. Defendants'  
16 unlawful acts and practices complained of herein affect the public interest.

17 ~~223.~~222. Plaintiffs currently seek injunctive relief, reasonable attorney  
18 fees and costs, and any other relief that the Court deems proper, and do not yet seek  
19 money damages under this count. In accordance with section 1782(a) of the CLRA,  
20 Plaintiffs' counsel provided notice, on behalf of Plaintiffs and the other Class  
21 Members, as alleged above.

22 ~~224.~~223. As Defendants failed to correct or agree to correct their actions,  
23 Plaintiff may pursue the compensatory and monetary damages to which Plaintiff and  
24 other Class Members are entitled.

25 ~~225.~~224. Pursuant to California Civil Code § 1780, Plaintiff seeks  
26 compensatory damages, injunctive relief, reasonable attorney fees and costs, and any  
27 other relief the Court deems proper, including punitive damages.  
28

**D. COUNT IV: FALSE ADVERTISING UNDER THE CALIFORNIA  
FALSE ADVERTISING LAW (CAL. BUS. & PROF. CODE §§ 17500,  
ET SEQ.)**

(Against Shimano, Specialized and Giant Defendants)

~~226.~~225. Plaintiffs reallege and incorporate by reference each of the allegations in Paragraphs 1-15~~8~~9, above, as though fully set forth herein.

~~227.~~226. Plaintiffs bring this count, individually and on behalf of the other members of the Nationwide Class against Shimano, Specialized and Giant Defendants for their respective Class Bicycles and Defective Cranksets.

~~228.~~227. For purposes of this count, members of the Nationwide Class shall be referred to as “Class Members.”

~~229.~~228. For purposes of this count, Shimano, Specialized and Giant shall be referred to as “Defendants.”

~~230.~~229. Plaintiff, Class Members and Defendants are “persons” within the meaning of Cal. Bus. & Prof. Code § 17506.

~~231.~~230. The California False Advertising Law (“FAL”) states: “It is unlawful for any . . . corporation . . . with intent directly or indirectly to dispose of real or personal property . . . to induce the public to enter into any obligation relating thereto, to make or disseminate or cause to be made or disseminated . . . from this state before the public in any state, in any newspaper or other publication, or any advertising device, . . . or in any other manner or means whatever, including over the Internet, any statement . . . which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading.” Cal. Bus. & Prof. Code § 17500.

~~232.~~231. Defendants, directly and through their agents, employees, and/or subsidiaries, violated the FAL by knowingly and intentionally misrepresenting, omitting, concealing, and/or failing to disclose material facts regarding the strength,

1 reliability, durability of the Class Bicycles and Defective Cranksets, as detailed above.  
2 Defendants' actionable conduct includes misrepresentations, omissions, concealment,  
3 and failure to disclose the known separation, delamination, and failure defect of the  
4 Class Bicycles and Defective Cranksets.

5 ~~233.232.~~ 232. The FAL imposes an ongoing duty on Defendants to refrain from  
6 unfair and deceptive business practices, which includes disclosing all material facts,  
7 such as latent dangerous defects, of the Class Bicycles and Defective Cranksets to  
8 consumers because:

- 9 a. Given the Defendants' role in the design, manufacture, testing, and sale  
10 of the Class Bicycles and Defective Cranksets, and their experience and  
11 knowledge as experts and long-time veterans of the bicycle industry,  
12 they possessed exclusive access to and were in a superior position to  
13 know the true facts about the Class Bicycles and Defective Cranksets;
- 14 b. Given Shimano's design, development, testing and manufacture of the  
15 Defective Cranksets and its experience and knowledge as an expert and  
16 long-time veteran of the bicycle industry, it, along with the Bicycle  
17 Manufacturer Defendants, possessed exclusive access to and was in a  
18 superior position to know the true facts about the Defective Cranksets;
- 19 c. Defendants knew that the Class Bicycles and Defective Cranksets gave  
20 rise to serious safety concerns for the consumers who purchased the  
21 Class Bicycles and Defective Cranksets;
- 22 d. Given the Crankset Defect's hidden and technical nature, Plaintiffs and  
23 the other Class Members lacked the sophisticated expertise in bicycle  
24 and crankset components and design and technology necessary to  
25 discover that the Class Bicycles and Defective Cranksets were defective;



- 1 e. Plaintiffs and the Class Members could not reasonably have been  
2 expected to learn or discover that the Class Bicycles and Defective  
3 Cranksets had a safety defect before purchase;
- 4 f. Defendants knew that Plaintiffs and the other Class Members could not  
5 reasonably have been expected to learn or discover the defect and the  
6 associated repair or replacement costs;
- 7 g. Defendants knew that the Class Bicycles and Defective Cranksets, and  
8 the defect therein, gave rise to serious safety concerns for consumers  
9 who purchased them;
- 10 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm  
11 in that, among other things, the Defective Cranksets can break during  
12 normal use and riding, causing loss of balance and accidents that can lead  
13 to severe and potentially fatal injuries;
- 14 i. Defendants knew about and investigated the Crankset Defect, but then  
15 did not notify consumers about it, disclose the Crankset Defect to CPSC,  
16 or further launch a comprehensive recall for all Class Bicycles and  
17 Defective Cranksets, which individually and together deprived Plaintiffs  
18 of an opportunity that otherwise could have led them to discover the truth  
19 about the Crankset Defect in their Class Bicycles and Defective  
20 Cranksets;
- 21 j. Defendants actively concealed the defect and the associated repair and  
22 replacement costs by responding to negative reviews and inquiries  
23 without disclosing the defect, asserting that the Class Bicycles and  
24 Defective Cranksets were not defective, asserting that non-design factors  
25 caused problems with the Defective Cranksets, and replacing defectively  
26 designed Class Bicycles and Defective Cranksets with identical  
27 defectively designed Class Bicycles and Defective Cranksets; and  
28

1 k. Defendants made, helped to make, or conspired to make partial and  
2 incomplete representations about strength, safety, quality, durability,  
3 dependability and reliability of the Class Bicycles and Defective  
4 Cranksets, while purposefully withholding material facts about a known  
5 safety defect. Because they volunteered to provide information about the  
6 Class Bicycles and Defective Cranksets that they marketed and offered  
7 for sale to consumers, Defendants had the duty to disclose the whole  
8 truth.

9 ~~234.~~233. By misrepresenting the Class Bicycles and Defective Cranksets as  
10 strong, high-quality, safe, dependable, durable, reliable, properly-functioning and free  
11 from defects, and/or by failing to disclose and actively concealing the dangers and  
12 risk posed by the Crankset Defect to consumers and CPSC, Defendants engaged in  
13 untrue and misleading advertising prohibited by California Bus. & Prof. Code §  
14 17500.

15 ~~235.~~234. Defendants made or caused to be made and disseminated from  
16 California, nationwide advertising, marketing, labeling, and other publications  
17 containing numerous statements that were untrue or misleading, and which were  
18 known, or which by the exercise of reasonable care they should have been known to  
19 be untrue and misleading to consumers, including Plaintiffs and the other Class  
20 Members.

21 ~~236.~~235. Defendants' unfair or deceptive acts and practices, including their  
22 misrepresentations, concealments, omissions, and suppressions of material facts, were  
23 designed to mislead and had a tendency or capacity to mislead and create a false  
24 impression in consumers that the Class Bicycles and Defective Cranksets were safe,  
25 secure, and reliable, and that they did not contain a defect. Indeed, those  
26 misrepresentations, concealments, omissions, and suppressions of material facts did  
27 in fact deceive reasonable consumers, including Plaintiff and Class Members, about  
28

1 the true safety and reliability of the Class Bicycles and Defective Cranksets, the  
2 quality of the Class Bicycles and Defective Cranksets, and the true value of the Class  
3 Bicycles and Defective Cranksets.

4 ~~237.~~236. Defendants intended for Plaintiffs and the other Class Members to  
5 rely on their misrepresentations, omissions, and concealment—which they did by  
6 purchasing Class Bicycles and Defective Cranksets at the prices they paid believing  
7 that the Class Bicycles and Defective Cranksets would not have a defect that would  
8 affect their quality, reliability, and safety.

9 ~~238.~~237. Defendants’ misrepresentations, omissions, and concealment of  
10 materials regarding the defect in the Class Bicycles and Defective Cranksets, and true  
11 characteristics thereof, were material to the decisions of Plaintiffs and the other Class  
12 Members to purchase the Class Bicycles and Defective Cranksets, as Defendants  
13 intended. Plaintiffs and the other Class Members were exposed to those  
14 misrepresentations, concealments, omissions, and suppressions of material facts, and  
15 relied on the Defendants’ misrepresentations and omissions that the Class Bicycles  
16 and Defective Cranksets were safe, secure, and reliable in deciding to purchase and  
17 Class Bicycles and Defective Cranksets.

18 ~~239.~~238. Absent Defendants’ disclosure of material facts, Plaintiffs and the  
19 other Class Members cannot discover the defect because it requires complex defective  
20 Crankset manufacturing knowledge and access to documents in the exclusive  
21 possession of the Defendants.

22 ~~240.~~239. The fact that the Class Bicycles and Defective Cranksets may  
23 separate, delaminate, or fail is a material fact that requires disclosure under the FAL.

24 ~~241.~~240. Defendants did not disclose the defect to consumers until almost  
25 a decade after discovering it, in their recall on September 21, 2023.

26 ~~242.~~241. Plaintiffs and the other Class Members reasonably relied on  
27 Defendants’ concealment of misrepresentations, omissions, and concealment of  
28

1 material facts regarding the reliability, durability, and strength of the Class Bicycles  
2 and defective Crankset by purchasing them and believing they would be safe to use.

3 ~~243.~~242. Plaintiffs' and Class Members' reliance on Defendants'  
4 misrepresentations, omissions and concealment was reasonable because they did not  
5 and could not know of the defect because they do not possess the necessary complex  
6 skill and knowledge required to identify it, and Defendants misrepresented, concealed  
7 and failed to disclose material facts that would have made discovery of the defect  
8 possible to ordinary consumers.

9 ~~244.~~243. Had Plaintiffs and the other Class Members known the truth about  
10 the defective nature of the Class Bicycles and Defective Cranksets, they would not  
11 have purchased them or would have paid significantly paid less for them.

12 ~~245.~~244. Defendants' violations present a continuing risk to Plaintiffs and  
13 the other Class Members, as well as to the general public, because the Class Bicycles  
14 and Defective Cranksets remain unsafe due to the defect. The unlawful acts and  
15 practices complained of, herein, affect the public interest.

16 ~~246.~~245. Plaintiffs and the other Class Members will likely continue to be  
17 damaged by Defendants' deceptive trade practices because Defendants continue  
18 disseminating misleading information on the Class Bicycles and Defective Cranksets'  
19 packaging and online retail listings. Thus, injunctive relief enjoining Defendants'  
20 deceptive practices is proper.

21 ~~247.~~246. Defendants' conduct caused and continues to cause substantial  
22 injury to Plaintiffs and the other Class Members. Plaintiffs have suffered injury in fact  
23 as a result of Defendants' unlawful conduct.

24 ~~248.~~247. Plaintiffs and the other Class Members seek an order enjoining the  
25 Defendants' false advertising, any such orders or judgments as may be necessary to  
26 restore to Plaintiffs and the other Class Members any money acquired by unfair  
27 competition, including restitution and/or restitutionary disgorgement, and any other  
28

1 just and proper relief available under the false advertising provisions of the California  
2 FAL.

3 ~~249.~~248. Plaintiffs plead this claim separately, see “Inadequacy of Legal  
4 Remedies,” supra, as well as in the alternative to claims for damages under Fed. R.  
5 Civ. P. 8(a)(3), because if the Court dismisses Plaintiffs’ claims for damages or enters  
6 judgment on them in favor of the Defendants, Plaintiffs’ will have no adequate legal  
7 remedy.

8 **E. COUNT V: VIOLATION OF CALIFORNIA’S UNFAIR**  
9 **COMPETITION LAW (CAL. BUS. & PROF. CODE § 17200, ET SEQ.)**

10 (Against Shimano, Specialized and Giant Defendants)

11 ~~250.~~249. Plaintiffs reallege and incorporate by reference each of the  
12 allegations in Paragraphs 1-15~~8~~9, above, as though fully set forth herein.

13 ~~251.~~250. Plaintiffs bring this count, individually and on behalf of the other  
14 members of the Nationwide Class against Shimano, Specialized and Giant Defendants  
15 for their respective Class Bicycles and Defective Cranksets.

16 ~~252.~~251. For purposes of this count, members of the Nationwide Class shall  
17 be referred to as “Class Members.”

18 ~~253.~~252. For purposes of this count, Shimano, Specialized and Giant shall  
19 be referred to as “Defendants.”

20 ~~254.~~253. California’s Unfair Competition Law (“UCL”) prohibits “unfair  
21 [business] competition,” including any “unlawful, unfair or fraudulent” act or  
22 practice, as well as any “unfair, deceptive, untrue or misleading advertising.” Cal.  
23 Bus. & Prof. Code § 17200.

24 ~~255.~~254. Defendants committed an unlawful business act or practice in  
25 violation of § 17200 by violating the California FAL and CLRA, California  
26 Commercial Code, Song-Beverly Consumer Warranty Act, consumer protection act  
27  
28

1 of any state in which Plaintiffs reside, and the Commercial Code of any state in which  
2 Plaintiffs reside, and other laws alleged herein.

3 ~~256.~~255. Unfair: Defendant's conduct concerning the labeling, advertising,  
4 and sale of the Class Bicycles and Defective Cranksets was "unfair" because  
5 Defendants' conduct was immoral, unethical, unscrupulous, or substantially injurious  
6 to consumers and the utility of their conduct, if any, does not outweigh the gravity of  
7 the harm to their victims. Distributing materially unsafe Class Bicycles and Defective  
8 Cranksets has no public utility at all. These acts and practices offend established  
9 public policy. Defendants' conduct impaired competition and prevented Plaintiffs and  
10 the other Class Members from making fully informed decisions about whether to  
11 purchase the Class Bicycles and Defective Cranksets and/or the price to be paid to  
12 purchase them.

13 ~~257.~~256. Any countervailing benefits to consumers or competition did not  
14 outweigh this injury. Selling Class Bicycles and Defective Cranksets unsafe and unfit  
15 for their intended purposes only injures healthy competition and harms consumers.  
16 Defendants also minimized and ignored the scope of the defect for many years despite  
17 knowing the Class Bicycles and Defective Cranksets are unreasonably dangerous,  
18 made repairs and replacements during the warranty period that caused instances of  
19 failure and unbeknownst to consumers did not provide a permanent fix, and  
20 knowingly sold defective Class Bicycles and Defective Cranksets in hopes of forcing  
21 consumers to purchase replacement bicycles and cranksets.

22 ~~258.~~257. Defendants' conduct concerning the labeling, advertising, and sale  
23 of the Class Bicycles and Defective Cranksets was and is also unfair because it  
24 violates public policy as declared by specific constitutional, statutory, or regulatory  
25 provisions, including but not limited to the applicable sections of the Consumers  
26 Legal Remedies Act and the Song-Beverly Consumer Warranty Act, and consumer  
27 protection statutes and other laws of states in which Plaintiffs reside.



1 ~~259.~~258. Fraudulent: A statement or practice is “fraudulent” under the UCL  
2 if it is likely to mislead or deceive the public, applying an objective reasonable  
3 consumer test.

4 ~~260.~~259. As set forth herein, Defendants designed, developed,  
5 manufactured, and sold Defective Cranksets and installed them in the Class Bicycles,  
6 knowingly and intentionally marketed the Class Bicycles and Defective Cranksets  
7 with the defect while misrepresenting the strength, high-quality, safety, dependability,  
8 durability and reliability of the Class Bicycles and Defective Cranksets and/or  
9 knowingly omitting and failing to disclose material facts that the Class Bicycles and  
10 Defective Cranksets suffer from the Crankset Defect (and the costs, risks, and  
11 diminished value of the Class Bicycles and Defective Cranksets as a result).  
12 Defendants knew that the Class Bicycles and Defective Cranksets were defectively  
13 designed, posed an unreasonable safety risk, and unsuitable for their intended use.

14 ~~261.~~260. Defendants were under a duty to Plaintiff and the Class Members  
15 to disclose the defective nature of the Class Bicycles and Defective Cranksets  
16 because:

- 17 a. Given the Defendants’ role in the design, manufacture, testing, and sale  
18 of the Class Bicycles and Defective Cranksets, and their experience and  
19 knowledge as experts and long-time veterans of the bicycle industry,  
20 they possessed exclusive access to and were in a superior position to  
21 know the true facts about the Class Bicycles and Defective Cranksets;  
22 b. Given Shimano’s design, development, testing and manufacture of the  
23 Defective Cranksets and its experience and knowledge as an expert and  
24 long-time veteran of the bicycle industry, it, along with the Bicycle  
25 Manufacturer Defendants, possessed exclusive access to and was in a  
26 superior position to know the true facts about the Defective Cranksets;  
27  
28

- 1 c. Defendants knew that the Class Bicycles and Defective Cranksets gave  
2 rise to serious safety concerns for the consumers who purchased the  
3 Class Bicycles and Defective Cranksets;
- 4 d. Given the Crankset Defect's hidden and technical nature, Plaintiffs and  
5 the other Class Members lacked the sophisticated expertise in bicycle  
6 and crankset components and design and technology necessary to  
7 discover that the Class Bicycles and Defective Cranksets were defective;
- 8 e. Plaintiffs and the Class Members could not reasonably have been  
9 expected to learn or discover that the Class Bicycles and Defective  
10 Cranksets had a safety defect before purchase;
- 11 f. Defendants knew that Plaintiffs and the other Class Members could not  
12 reasonably have been expected to learn or discover the defect and the  
13 associated repair or replacement costs;
- 14 g. Defendants knew that the Class Bicycles and Defective Cranksets, and  
15 the defect therein, gave rise to serious safety concerns for consumers  
16 who purchased them;
- 17 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm  
18 in that, among other things, the Defective Cranksets can break during  
19 normal use and riding, causing loss of balance and accidents that can lead  
20 to severe and potentially fatal injuries;
- 21 i. Defendants knew about and investigated the Crankset Defect, but then  
22 did not notify consumers about it, disclose the Crankset Defect to CPSC,  
23 or further launch a comprehensive recall for all Class Bicycles and  
24 Defective Cranksets, which individually and together deprived Plaintiffs  
25 of an opportunity that otherwise could have led them to discover the truth  
26 about the Crankset Defect in their Class Bicycles and Defective  
27 Cranksets;
- 28

- 1 j. Defendants actively concealed the defect and the associated repair and  
2 replacement costs by responding to negative reviews and inquiries  
3 without disclosing the defect, asserting that the Class Bicycles and  
4 Defective Cranksets were not defective, asserting that non-design factors  
5 caused problems with the Defective Cranksets, and replacing defectively  
6 designed Class Bicycles and Defective Cranksets with identical  
7 defectively designed Class Bicycles and Defective Cranksets; and
- 8 k. Defendants made, helped to make, or conspired to make partial and  
9 incomplete representations about strength, safety, quality, durability,  
10 dependability and reliability of the Class Bicycles and Defective  
11 Cranksets, while purposefully withholding material facts about a known  
12 safety defect. Because they volunteered to provide information about the  
13 Class Bicycles and Defective Cranksets that they marketed and offered  
14 for sale to consumers, Defendants had the duty to disclose the whole  
15 truth.

16 ~~262.~~261. Defendants could have and should have prominently disclosed the  
17 defect on the product listings on its website, on product packaging, and to third-party  
18 retailers. Had Defendants disclosed the defect in this manner, Plaintiffs, Class  
19 Members, and reasonable consumers would have been aware of it.

20 ~~263.~~262. Defendants' unfair or deceptive acts or practices were designed to  
21 mislead and had a tendency or capacity to mislead and create a false impression in  
22 consumers that the Class Bicycles and Defective Cranksets were strong, safe, high  
23 quality, reliable, durable, dependable, and properly functioning and that the Class  
24 Bicycles and Defective Cranksets did not contain any defects. Those  
25 misrepresentations, concealments, omissions, and suppressions of material facts did,  
26 in fact, deceive reasonable consumers, including Plaintiffs and the other Class  
27 Members, about the true strength, quality, safety, durability, dependability, and  
28

1 reliability of the Class Bicycles and Defective Cranksets, as well as the quality and  
2 true value thereof.

3 ~~264.~~263. Defendants' misrepresentations, concealments, omissions, and  
4 suppressions of material facts were material to Plaintiffs' and Class Members'  
5 decisions in that a reasonable consumer would have considered them important in  
6 deciding whether to purchase Defendants' Class Bicycles and Defective Cranksets or  
7 pay a lesser price. Plaintiffs and the other Class Members were exposed to  
8 Defendants' misrepresentations, concealments, omissions, and suppressions of facts,  
9 and relied on Defendants' misrepresentations, concealment, omission and non-  
10 disclosure that the Class Bicycles and Defective Cranksets were safe and reliable.

11 ~~265.~~264. Plaintiffs' and Class Members' reliance was reasonable, as they  
12 had no way of discerning Defendants' representations were false and misleading, or  
13 otherwise learning of the defect, as alleged above. Plaintiffs and the other Class  
14 Members did not, and could not, unravel Defendants' deception on their own.

15 ~~266.~~265. Had Plaintiffs and the other Class Members known about the  
16 defective nature of the Class Bicycles and Defective Cranksets, they would not have  
17 purchased them or paid less for them.

18 ~~267.~~266. Defendants profited from selling the falsely, deceptively, and  
19 unlawfully advertised Class Bicycles and Defective Cranksets to unwary purchasers.

20 ~~268.~~267. Plaintiffs and the other Class Members suffered ascertainable loss  
21 as a direct and proximate result of Defendants' unlawful, fraudulent, and unfair  
22 business acts and practices. Plaintiffs and the other Class Members will likely  
23 continue to be damaged, as will the general public, by Defendants' deceptive trade  
24 practices because Defendants continue disseminating misleading information on the  
25 packaging and in online retail listings regarding the Class Bicycles and Defective  
26 Cranksets, and the Class Bicycles and Defective Cranksets remain unsafe due to the  
27 defect therein. Defendants' unlawful acts and practices complained of herein affect  
28

1 the public interest. Thus, injunctive relief enjoining Defendants' deceptive practices  
2 is proper.

3 ~~269.~~268. Defendants' conduct caused and continues to cause substantial  
4 injury to Plaintiffs and the other Class Members. Plaintiff has suffered injury in fact  
5 as a result of Defendants' unlawful conduct.

6 ~~270.~~269. Under Bus. & Prof. Code § 17203, Plaintiff seeks an order  
7 enjoining Defendants' unfair and/or deceptive acts or practices, any such orders or  
8 judgments as may be necessary to restore, to Plaintiffs and the other Class Members,  
9 any money acquired by unfair competition, including restitution of all monies from  
10 the sale of the Class Bicycles and Defective Cranksets and/or restitutionary  
11 disgorgement of all moneys which were unjustly acquired through acts of unlawful  
12 competition as provided in Cal. Bus. & Prof. Code § 17203, and any other just and  
13 proper relief available under the California UCL.

14 270. Plaintiffs plead this claim separately, see "Inadequacy of Legal  
15 Remedies," *supra*, as well as in the alternative to claims for damages under Fed. R.  
16 Civ. P. 8(a)(3), because if the Court dismisses Plaintiffs' claims for damages or enters  
17 judgment on them in favor of the Defendants, Plaintiffs' will have no adequate legal  
18 remedy.

19 **F. COUNT VI: VIOLATIONS OF THE SONG-BEVERLY ACT (CIV.**  
20 **CODE § 1790, ET SEQ.), VIA BREACH OF IMPLIED WARRANTY**  
21 **(Against All Defendants)**

22 271. Plaintiffs reallege and incorporate by reference each of the allegations in  
23 Paragraphs 1-158~~9~~, above, as though fully set forth herein.

24 272. Plaintiffs bring this count, individually and on behalf of the other  
25 members of the Nationwide Class against all Defendants for their respective Class  
26 Bicycles and Defective Cranksets.

1        273. For purposes of this count, members of the Nationwide Class shall be  
2 referred to as “Class Members.”

3        274. For purposes of this count, Shimano, Specialized, Trek, and Giant shall  
4 be referred to as “Defendants.”

5        275. Plaintiffs and the other Class Members are “buyers” within the meaning  
6 of Cal. Civ. Code § 1791(b).

7        276. The Class Bicycles and Defective Cranksets are “consumer goods”  
8 within the meaning of Cal. Civ. Code § 1791(a).

9        277. Defendants are the “manufacturers” and “sellers” of the Class Bicycles  
10 and Defective Cranksets within the meaning of Cal. Civ. Code § 1791(j) and (l).

11        278. Cal. Civ. Code § 1792 provides that, unless properly disclaimed, every  
12 sale of consumer goods is accompanied by an implied warranty of merchantability.  
13 Defendants did not at any time properly disclaim the warranty.

14        279. Defendants knew of the particular purposes for which the Class Bicycles  
15 and Defective Cranksets were intended and impliedly warranted to Plaintiffs and the  
16 other Class Members that the Class Bicycles and Defective Cranksets were  
17 “merchantable” under Cal. Civ. Code §§ 1791.1(a) & 1792.

18        280. However, the Class Bicycles and Defective Cranksets do not have the  
19 quality that a reasonable purchaser would expect.

20        281. The Class Bicycles and Defective Cranksets are not merchantable and,  
21 as such, Defendants breached their implied warranties because:

22        a. The Class Bicycles and Defective Cranksets would not pass without  
23 objection in the trade because of the separation, delamination, and failure  
24 defect alleged herein.

25        b. The Class Bicycles and Defective Cranksets have a dangerous defect in  
26 that the defective Crankset part may separate, delaminate, and or fail  
27 when ordinary force to propel the bicycle forward is applied to the pedal,  
28



1 rendering safe control of a bicycle near impossible and posing a  
2 significant safety hazard for consumers. As a result of the defect,  
3 consumers may lose control of their bicycle and crash endangering both  
4 themselves and the public at large. Such a design defect is extraordinarily  
5 dangerous and has rendered the Class Bicycles and Defective Cranksets  
6 unsuitable for their principal and intended purpose.

7 282. For the same reasons, the Class Bicycles and Defective Cranksets are not  
8 fit for the ordinary purpose they are used—propelling a bicycle forward—because of  
9 the safety defect as alleged herein.

10 283. The safety defect in the Class Bicycles and Defective Cranksets is latent.  
11 Though the Class Bicycles and Defective Cranksets appear operable when new, the  
12 safety defect existed at the time of sale and throughout the one year under the Song-  
13 Beverly Act. Accordingly, any subsequent discovery of the safety defect by Class  
14 Members beyond that time does not bar an implied warranty claim under the Song-  
15 Beverly Act.

16 284. Further, despite due diligence, Plaintiffs and the other Class Members  
17 could not have discovered the safety defect before the manifestation of its symptoms  
18 in the form of separation, delamination, and failure while riding. Those Class  
19 Members whose claims would have otherwise expired allege that the discovery rule  
20 and doctrine of fraudulent concealment tolls them.

21 285. Defendants breached the implied warranty of merchantability by  
22 manufacturing and selling Class Bicycles and Defective Cranksets containing the  
23 safety defect. The existence of the defect has caused Plaintiffs and the other Class  
24 Members not to receive the benefit of their bargain and have caused Class Bicycles  
25 and Defective Cranksets to depreciate.

26 286. As a direct and proximate result of Defendants' breach of the implied  
27 warranty of merchantability, Plaintiffs and the other Class Members received goods  
28

1 whose defective condition substantially impairs their value to Plaintiffs and the other  
2 Class Members. Plaintiffs and the other Class Members have been damaged as a result  
3 of the diminished value of the Class Bicycles and Defective Cranksets.

4 287. Plaintiffs and the other Class Members are entitled to damages and other  
5 legal and equitable relief, including, at their election, the purchase price of their Class  
6 Bicycles and Defective Cranksets or the overpayment or diminution in value of their  
7 Class Bicycles and Defective Cranksets. Plaintiffs, individually and on behalf of Class  
8 Members, seek all available monetary damages (including actual, compensatory, and  
9 punitive damages), injunctive and equitable relief, and attorneys' fees and costs.

10 ~~271.~~288. Pursuant to Cal. Civ. Code § 1794, Plaintiffs and the other Class  
11 Members are entitled to costs and attorneys' fees.

12 **CLAIMS ASSERTED ON BEHALF OF CALIFORNIA STATE SUBCLASS**

13 **A. COUNT VI: BREACH OF EXPRESS WARRANTY (CAL. COM.**  
14 **CODE §§ 2313 AND 10210)**

15 (Against Shimano)

16 ~~272.~~289. Plaintiffs reallege and incorporate by reference each of the  
17 allegations in Paragraphs 1-15~~8~~9, above, as though fully set forth herein.

18 ~~273.~~290. Plaintiffs Delgado, Erazo, Gonyer Hawkins, Jennings, and Litam  
19 bring this count under California law, individually and on behalf of the other members  
20 of the California Subclass against Shimano for the Defective Cranksets.

21 ~~274.~~291. For purposes of this count, Plaintiffs Delgado, Erazo, Gonyer,  
22 Hawkins, Jennings, and Litam shall be referred to as "Plaintiffs," and members of the  
23 California Subclass shall be referred to as "Class Members." For purposes of this  
24 count, Shimano shall be referred to as "Defendant."

25 ~~275.~~292. Plaintiffs' Class Bicycles and Defective Cranksets are a "good"  
26 under Cal. Com. Code §§ 2105(1) and 10103(a)(8).

1 ~~276.~~293. Plaintiffs and the other Class Members who purchased Defective  
2 Cranksets or Class Bicycles equipped with Defective Cranksets are “buyers” under  
3 Cal. Com. Code §§ 2013(1)(a) and 10103(a)(14).

4 ~~277.~~294. Shimano is a “merchant” and “seller” of the Defective Cranksets  
5 under Cal. Com. Code §§2104(1) and 2103(1)(d), respectively.

6 ~~278.~~295. Defendant issued an express written warranty for each Defective  
7 Crankset they sold (including Defective Cranksets equipped in Class Bicycles),  
8 including that:

- 9 a. The Defective Cranksets would be “free from a defect in material and  
10 workmanship” at the time of sale; and<sup>37</sup>  
11 b. The Defective Cranksets were strong, high quality, safe, durable,  
12 dependable, and reliable, and their cranksets would function properly  
13 during the operation of the bicycles.

14 ~~279.~~296. The warranties listed above formed the basis of the bargain with  
15 regard to Plaintiffs’ and Class Members’ purchase of the Defective Cranksets or Class  
16 Bicycles equipped with Defective Cranksets.

17 ~~280.~~297. Defendant knowingly breached its warranty for the Defective  
18 Cranksets or Class Bicycles equipped with Defective Cranksets because:

- 19 a. The Defective Cranksets or Class Bicycles equipped with Defective  
20 Cranksets have latent defects which have a dangerous propensity to  
21 cause the bonded crank parts to separate and break, subjecting Plaintiffs  
22 and the other Class Members to the risk of loss and injury; and  
23 b. Defendant denied, concealed, and misrepresented (affirmatively and by  
24 omission) the Crankset Defect, in the process of refusing to pay for or  
25

26  
27 <sup>37</sup> Shimano Warranty Policy, [https://ride.shimano.com/pages/shimano-warranty-](https://ride.shimano.com/pages/shimano-warranty-policy)  
28 [policy](https://ride.shimano.com/pages/shimano-warranty-policy), last accessed on December 29, 2023.

1 provide, in a reasonably timely fashion, the needed repairs and  
2 replacements for Plaintiffs and the other Class Members.

3 ~~281.~~298. Defendant knew or should have known that the warranties were  
4 false and/or misleading. Specifically, Defendant was aware of the Crankset Defect,  
5 which made the Defective Cranksets or Class Bicycles equipped with Defective  
6 Cranksets inherently defective and dangerous at the time that they were sold to  
7 Plaintiffs and the other Class Members.

8 ~~282.~~299. Plaintiffs and the other Class Members were exposed to  
9 Defendant's misrepresentations and omissions/concealment, and they had no way of  
10 discerning that Defendant's representations and omissions/concealment were false  
11 and misleading or otherwise learning the material facts that Defendants had concealed  
12 or failed to disclose. Accordingly, Plaintiffs and the other Class Members reasonably  
13 relied on Defendant's express warranties when purchasing the Defective Cranksets or  
14 Class Bicycles equipped with Defective Cranksets.

15 ~~283.~~300. Plaintiffs and the other Class Members timely provided the  
16 Defendant notice of the issues raised in this count and this Complaint and an  
17 opportunity to cure, as alleged in the paragraphs addressing Defendant's notice,  
18 above.

19 ~~284.~~301. Alternatively, Plaintiffs and the other Class Members were  
20 excused from providing Defendant with notice and an opportunity to cure the breach,  
21 because it would have been futile. As alleged above, Defendant knew about the  
22 Crankset Defect for years. Moreover, although Defendant issued a recall, that recall  
23 is inadequate because, inter alia: (a) it is belated because Defendant knew about the  
24 Defective Cranksets, including Defective Cranksets included in Class Bicycles, for  
25 years and did nothing to recall or remedy the serious safety defect; (b) with hundreds  
26 of thousands of Class Bicycles and Defective Cranksets impacted in existing and  
27 potential future recalls, as a result of Defendant's misrepresentations about and  
28

1 omission/concealment of the Crankset Defect, the recalls cannot be implemented  
2 effectively due to supply constraints and resulting delays; and (c) the recalls are  
3 incomplete, and apply to only a subset of the Defective Cranksets or Class Bicycles  
4 equipped with Defective Cranksets.

5 ~~285.302.~~ 285.302. Privity of contract is not required here because Plaintiffs and the  
6 other Class Members were each intended third-party beneficiaries of the Defective  
7 Cranksets or Class Bicycles equipped with Defective Cranksets sold through  
8 independent retailers. The retailers were not intended to be the ultimate consumers of  
9 the Defective Cranksets or Class Bicycles equipped with Defective Cranksets and  
10 have no rights under the warranty provided with the Defective Cranksets or Class  
11 Bicycles equipped with Defective Cranksets.

12 ~~286.303.~~ 286.303. Alternatively, privity of contract is satisfied because Plaintiffs and  
13 the other Class Members purchased the Defective Cranksets or Class Bicycles  
14 equipped with Defective Cranksets from retailers who were the exclusive retail sellers  
15 of Defendant's products and/or acted as agents of the Defendants.

16 ~~287.304.~~ 287.304. Plaintiffs and the other Class Members did not receive or  
17 otherwise have the opportunity to review, at or before the time of sale, any purported  
18 warranty exclusions and limitations of remedies. Accordingly, any such exclusions  
19 and limitations of remedies are unconscionable and unenforceable.

20 ~~288.305.~~ 288.305. As a direct and proximate result of Defendant's breach of their  
21 express warranties, the Defective Cranksets or Class Bicycles equipped with  
22 Defective Cranksets were and are defective and the Crankset Defect was not  
23 remedied. Therefore, Plaintiffs and the other Class Members have been damaged, in  
24 an amount to be proven at trial, through their overpayment at the time of purchase for  
25 the Defective Cranksets or Class Bicycles equipped with Defective Cranksets with an  
26 undisclosed safety defect that would not be remedied.

**B. COUNT VII: BREACH OF IMPLIED WARRANTY OF  
MERCHANTABILITY (CAL. COM. CODE §§ 2314 AND 10212)**

(Against Shimano, Specialized and Trek)

~~289.306.~~ 290.307. Plaintiffs reallege and incorporate by reference each of the allegations in Paragraphs 1-15~~89~~, above, as though fully set forth herein.

~~290.307.~~ 291.308. Plaintiffs Delgado, Erazo, Gonyer, Hawkins, Jennings, and Litam bring this count under California law, individually and on behalf of the other members of the California Subclass against all Shimano, and Trek for their respective Class Bicycles and Defective Cranksets. For the remaining Defendants, Plaintiffs who purchased their Class Bicycles or Defective Cranksets in states with materially similar laws may represent Subclasses under this count against all other Defendants.

~~291.308.~~ 292.309. For purposes of this count, Plaintiffs Delgado, Erazo, Gonyer, Hawkins, Jennings, and Litam shall be referred to as “Plaintiffs,” and members of the California Subclass shall be referred to as “Class Members.” For purposes of this count, Shimano and Trek shall be referred to as “Defendants.”

~~292.309.~~ 293.310. For purposes of this count, members of the California Subclass shall be referred to as “Class Members.”

~~293.310.~~ 294.311. The Class Bicycles and Defective Cranksets are “goods” under Cal. Com. Code § 2105(1).

~~294.311.~~ 295.312. Plaintiffs and the other Class Members are “buyers” of the Class Bicycles and Defective Cranksets under Cal. Com. Code § 2103(1)(a).

~~295.312.~~ 296.313. Defendants are “merchants” and “sellers” under Cal. Com. Code §§ 2104(1) and 2103(1)(d).

~~296.313.~~ California law conferred an implied warranty that the Defective Cranksets and Class Bicycles were in merchantable condition and fit for the ordinary purpose for which they were to be used pursuant to Cal. Com. Code § 2314.

1 ~~297.~~314. The Defective Cranksets and Class Bicycles are not merchantable  
2 and, as such, Defendants breached their implied warranties, because at the time of  
3 sale and all times thereafter:

- 4 a. The Class Bicycles and Defective Cranksets suffer from a safety defect  
5 that renders them unsafe to ride and/or operate;  
6 b. The Defective Cranksets and the Class Bicycles would not pass without  
7 objection in the bicycle trade given the Crankset Defect;  
8 c. The Crankset Defect renders the Defective Cranksets and Class Bicycles  
9 unsafe to ride and unfit for ordinary purposes; and  
10 d. The Crankset Defect affects the central functionality of the Class  
11 Bicycles and Defective Cranksets.

12 ~~298.~~315. Due to the Crankset Defect, Plaintiffs and the other Class  
13 Members cannot operate their Class Bicycles and Defective Cranksets as intended,  
14 substantially free from defects. The Class Bicycles and Defective Cranksets do not  
15 provide a safe and reliable way to propel a bicycle forward and pose a serious risk of  
16 injury, including crashing, bone fracture, laceration, and death. As a result, Plaintiffs  
17 and the other Class Members cannot use their Class Bicycles and Defective Cranksets  
18 for the purposes for which they purchased them.

19 ~~299.~~316. Plaintiffs and the other Class Members timely provided  
20 Defendants notice of the issues raised in this count and this Complaint and an  
21 opportunity to cure, as alleged in the paragraphs addressing Defendants' notice,  
22 above.

23 ~~300.~~317. Alternatively, Plaintiffs and the other Class Members were  
24 excused from providing Defendants with notice and an opportunity to cure the breach,  
25 because it would have been futile. As alleged above, Defendants knew about the  
26 Crankset Defect for years. Moreover, although Defendants issued a recall, that recall  
27 is inadequate because, inter alia: (a) it is belated because Defendants knew about the  
28



1 Defective Cranksets, including the Defective Cranksets installed in Class Bicycles,  
2 for years and did nothing to recall or remedy the serious safety defect; (b) with  
3 hundreds of thousands of Class Bicycles and Defective Cranksets impacted in existing  
4 and potential future recalls, as a result of Defendants' misrepresentations about and  
5 omission/concealment of the Crankset Defect, the recalls cannot be implemented  
6 effectively due to supply constraints and resulting delays; and (c) the recalls are  
7 incomplete, and apply to only a subset of the Class Bicycles and Defective Cranksets.

8 ~~301.~~318. Plaintiffs and the other Class Members have had sufficient direct  
9 dealings with Defendants or their agents (retailers) to establish privity of contract  
10 between Plaintiffs and the other Class Members. Shimano has employed its  
11 authorized dealers to carry out the inspection of its Defective Cranksets.<sup>38</sup> To do so,  
12 Shimano developed and distributed materials to its authorized dealers who Shimano  
13 has tasked with inspecting the Defective Cranksets for the Crankset Defect.<sup>39</sup> Outside  
14 of the CPSC Recall, Shimano also authorized its dealers to carry out the warranty  
15 evaluation process on Shimano's behalf.<sup>40</sup> In performing these functions, Shimano  
16 authorized dealers to act as agents of Shimano such that, by purchasing Class Bicycles  
17 from these authorized dealers, Plaintiffs and Class members directly dealt with  
18 Defendants.

19 ~~302.~~319. Plaintiffs, individually and on behalf Class Members, seeks all  
20 available monetary damages (including actual, compensatory, and punitive damages),  
21 injunctive and equitable relief, and attorneys' fees and costs.

22  
23  
24  
25 <sup>38</sup> <https://www.cpsc.gov/Recalls/2023/Shimano-Recalls-Cranksets-for-Bicycles-Due-to-Crash-Hazard>, last accessed on April 28, 2024.

26 <sup>39</sup> Russell Decl., Exh. 1 ¶ 7.

27 <sup>40</sup> <https://bike.shimano.com/en-US/information/warranty.html>, last accessed on  
28 April 28, 2024; <https://bike.shimano.com/content/dam/productsite/shimano-northamerica/pdf/SAC%20Warranty.pdf>, last accessed on April 28, 2024.

C. **COUNT VIII: VIOLATIONS OF THE SONG-BEVERLY ACT (CIV. CODE § 1790, ET SEQ.), VIA BREACH OF IMPLIED WARRANTY**

(Against Shimano, Specialized, and Trek)

~~303.320.~~ Plaintiffs reallege and incorporate by reference each of the allegations in Paragraphs 1-15~~89~~, above, as though fully set forth herein.

~~304.321.~~ Plaintiffs Delgado, Erazo, Gonyer, Hawkins, Jennings, and Litam bring this count under California law, individually and on behalf of the other members of the California Subclass against all Shimano and Trek for their respective Class Bicycles and Defective Cranksets. For the remaining Defendants, Plaintiffs who purchased their Class Bicycles or Defective Cranksets in states with materially similar laws may represent Subclasses under this count against all other Defendants.

~~305.322.~~ For purposes of this count, Plaintiffs Delgado, Erazo, Gonyer, Hawkins, Jennings, and Litam shall be referred to as “Plaintiffs,” and members of the California Subclass shall be referred to as “Class Members.” For purposes of this count, Shimano and Trek shall be referred to as “Defendants.”

~~306.323.~~ Plaintiffs and the other Class Members who purchased the Class Bicycles and Defective Cranksets in California are “buyers” within the meaning of Cal. Civ. Code § 1791(b).

~~307.324.~~ The Class Bicycles and Defective Cranksets are “consumer goods” within the meaning of Cal. Civ. Code § 1791(a).

~~308.325.~~ Defendants are the “manufacturers” and “sellers” of the Class Bicycles and Defective Cranksets within the meaning of Cal. Civ. Code § 1791(j) and (l)

~~309.326.~~ Cal. Civ. Code § 1792 provides that, unless properly disclaimed, every sale of consumer goods is accompanied by an implied warranty of merchantability. Defendants did not at any time properly disclaim the warranty.

1 ~~310.~~327. Defendants knew of the particular purposes for which the Class  
2 Bicycles and Defective Cranksets were intended and impliedly warranted to Plaintiffs  
3 and the other Class Members that the Class Bicycles and Defective Cranksets were  
4 “merchantable” under Cal. Civ. Code §§ 1791.1(a) & 1792.

5 ~~311.~~328. However, the Class Bicycles and Defective Cranksets do not have  
6 the quality that a reasonable purchaser would expect.

7 ~~312.~~329. The Class Bicycles and Defective Cranksets are not merchantable  
8 and, as such, Defendants breached their implied warranties because:

- 9 a. The Class Bicycles and Defective Cranksets would not pass without  
10 objection in the trade because of the separation, delamination, and failure  
11 defect alleged herein.
- 12 b. The Class Bicycles and Defective Cranksets have a dangerous defect in  
13 that the defective Crankset part may separate, delaminate, and or fail  
14 when ordinary force to propel the bicycle forward to applied to the pedal,  
15 rendering safe control of a bicycle near impossible and posing a  
16 significant safety hazard for consumers. As a result of the defect,  
17 consumers may lose control of their bicycle and crash endangering both  
18 themselves and the public at large. Such a design defect is extraordinarily  
19 dangerous and has rendered the Class Bicycles and Defective Cranksets  
20 unsuitable for their principal and intended purpose.

21 ~~313.~~330. For the same reasons, the Class Bicycles and Defective Cranksets  
22 are not fit for the ordinary purpose they are used—propelling a bicycle forward—  
23 because of the safety defect as alleged herein.

24 ~~314.~~331. The safety defect in the Class Bicycles and Defective Cranksets is  
25 latent. Though the Class Bicycles and Defective Cranksets appear operable when  
26 new, the safety defect existed at the time of sale and throughout the one year under  
27 the Song-Beverly Act. Accordingly, any subsequent discovery of the safety defect by  
28

1 Class Members beyond that time does not bar an implied warranty claim under the  
2 Song-Beverly Act.

3 ~~315.332.~~ Further, despite due diligence, Plaintiffs and the other Class  
4 Members could not have discovered the safety defect before the manifestation of its  
5 symptoms in the form of separation, delamination, and failure while riding. Those  
6 Class Members whose claims would have otherwise expired allege that the discovery  
7 rule and doctrine of fraudulent concealment tolls them.

8 ~~316.333.~~ Defendants breached the implied warranty of merchantability by  
9 manufacturing and selling Class Bicycles and Defective Cranksets containing the  
10 safety defect. The existence of the defect has caused Plaintiffs and the other Class  
11 Members not to receive the benefit of their bargain and have caused Class Bicycles  
12 and Defective Cranksets to depreciate.

13 ~~317.334.~~ As a direct and proximate result of Defendants' breach of the  
14 implied warranty of merchantability, Plaintiffs and the other Class Members received  
15 goods whose defective condition substantially impairs their value to Plaintiff and the  
16 other California members. Plaintiffs and the other California Class Members have  
17 been damaged as a result of the diminished value of the Class Bicycles and Defective  
18 Cranksets.

19 ~~318.335.~~ Plaintiffs and the other California Class Members are entitled to  
20 damages and other legal and equitable relief, including, at their election, the purchase  
21 price of their Class Bicycles and Defective Cranksets or the overpayment or  
22 diminution in value of their Class Bicycles and Defective Cranksets. Plaintiffs,  
23 individually and on behalf of Class Members, seek all available monetary damages  
24 (including actual, compensatory, and punitive damages), injunctive and equitable  
25 relief, and attorneys' fees and costs.

26 ~~319.336.~~ Pursuant to Cal. Civ. Code § 1794, Plaintiffs and the other Class  
27 Members are entitled to costs and attorneys' fees.  
28

**D. COUNT IX: VIOLATIONS OF CALIFORNIA’S CONSUMER LEGAL  
REMEDIES ACT (CAL. CIV. CODE §§ 1750, ET SEQ.)**

(Against Shimano, Specialized, and Trek)

~~320.~~337. Plaintiffs reallege and incorporate by reference each of the allegations in Paragraphs 1-15~~8~~9, above, as though fully set forth herein.

~~321.~~338. Plaintiffs Delgado, Erazo, Gonyer, Hawkins, Jennings, and Litam bring this count under California law, individually and on behalf of the other members of the California Subclass against all Shimano and Trek for their respective Class Bicycles and Defective Cranksets. For the remaining Defendants, Plaintiffs who purchased their Class Bicycles or Defective Cranksets in states with materially similar laws may represent Subclasses under this count against all other Defendants.

~~322.~~339. For purposes of this count, Plaintiffs Delgado, Erazo, Gonyer, Hawkins, Jennings, and Litam shall be referred to as “Plaintiffs,” and members of the California Subclass shall be referred to as “Class Members.” For purposes of this count, Shimano and Trek shall be referred to as “Defendants.”

~~323.~~340. Defendants are “persons” under Cal. Civ. Code §1761(c).

~~324.~~341. Plaintiffs and the other Class Members are “consumers” under Cal. Civ. Code §1761(d) because they purchased the Defective Cranksets and/or Class Bicycles primarily for personal, family, or household use.

~~325.~~342. The purchase of the Defective Cranksets and/or Class Bicycles by Plaintiffs and the other Class Members constitute “transactions” within the meaning of Cal. Civ. Code § 1761(e).

~~326.~~343. The Defective Cranksets and the Class Bicycles are “goods” under Cal. Civ. Code § 1761(a).

~~327.~~344. The California Consumer Legal Remedies Act (“CLRA”) prohibits deceptive practices concerning the conduct of a business that provides goods, property, or services primarily for personal, family, or household purposes.

1 ~~328.345.~~ Defendants, directly and through their agents, employees, and/or  
2 subsidiaries, violated the CLRA by knowingly and intentionally misrepresenting,  
3 omitting, concealing, and/or failing to disclose material facts regarding the reliability,  
4 safety, and performance of the Class Bicycles and Defective Cranksets, as detailed  
5 above.

6 ~~329.346.~~ Defendants' violations of the CLRA occurred repeatedly in their  
7 trade or practice—including the design, manufacture, distribution, marketing, and  
8 sale the Class Bicycles and Defective Cranksets.

9 ~~330.347.~~ Defendants had an ongoing duty to Plaintiffs and the other Class  
10 Members to refrain from unfair or deceptive practices under the CLRA in the course  
11 of their business. Specifically, Defendants owed Plaintiffs and the other Class  
12 Members a duty to disclose all the material facts concerning the Defective Cranksets  
13 and the Defective Cranksets in the Class Bicycles because:

- 14 a. Given the Defendants' role in the design, manufacture, testing, and sale  
15 of the Class Bicycles and Defective Cranksets, and their experience and  
16 knowledge as experts and long-time veterans of the bicycle industry,  
17 they possessed exclusive access to and were in a superior position to  
18 know the true facts about the Class Bicycles and Defective Cranksets;
- 19 b. Given Shimano's design, development, testing and manufacture of the  
20 Defective Cranksets and its experience and knowledge as an expert and  
21 long-time veteran of the bicycle industry, it, along with the Bicycle  
22 Manufacturer Defendants, possessed exclusive access to and was in a  
23 superior position to know the true facts about the Defective Cranksets;
- 24 c. Defendants knew that the Class Bicycles and Defective Cranksets gave  
25 rise to serious safety concerns for the consumers who purchased the  
26 Class Bicycles and Defective Cranksets;
- 27  
28

- 1 d. Given the Crankset Defect's hidden and technical nature, Plaintiffs and  
2 the other Class Members lacked the sophisticated expertise in bicycle  
3 and crankset components and design and technology necessary to  
4 discover that the Class Bicycles and Defective Cranksets were defective;
- 5 e. Plaintiffs and the Class Members could not reasonably have been  
6 expected to learn or discover that the Class Bicycles and Defective  
7 Cranksets had a safety defect before purchase;
- 8 f. Defendants knew that Plaintiffs and the other Class Members could not  
9 reasonably have been expected to learn or discover the defect and the  
10 associated repair or replacement costs;
- 11 g. Defendants knew that the Class Bicycles and Defective Cranksets, and  
12 the defect therein, gave rise to serious safety concerns for consumers  
13 who purchased them;
- 14 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm  
15 in that, among other things, the Defective Cranksets can break during  
16 normal use and riding, causing loss of balance and accidents that can lead  
17 to severe and potentially fatal injuries;
- 18 i. Defendants knew about and investigated the Crankset Defect, but then  
19 did not notify consumers about it, disclose the Crankset Defect to CPSC,  
20 or further launch a comprehensive recall for all Class Bicycles and  
21 Defective Cranksets, which individually and together deprived Plaintiffs  
22 of an opportunity that otherwise could have led them to discover the truth  
23 about the Crankset Defect in their Class Bicycles and Defective  
24 Cranksets;
- 25 j. Defendants actively concealed the defect and the associated repair and  
26 replacement costs by responding to negative reviews and inquiries  
27 without disclosing the defect, asserting that the Class Bicycles and  
28



1 Defective Cranksets were not defective, asserting that non-design factors  
2 caused problems with the Defective Cranksets, and replacing defectively  
3 designed Class Bicycles and Defective Cranksets with identical  
4 defectively designed Class Bicycles and Defective Cranksets; and

- 5 k. Defendants made, helped to make, or conspired to make partial and  
6 incomplete representations about strength, safety, quality, durability,  
7 dependability and reliability of the Class Bicycles and Defective  
8 Cranksets, while purposefully withholding material facts about a known  
9 safety defect. Because they volunteered to provide information about the  
10 Class Bicycles and Defective Cranksets that they marketed and offered  
11 for sale to consumers, Defendants had the duty to disclose the whole  
12 truth.

13 ~~331.~~348. By misrepresenting the Class Bicycles and Defective Cranksets as  
14 strong, high-quality, safe, dependable, durable, reliable, properly-functioning and free  
15 from defects, and/or by failing to disclose and actively concealing the dangers and  
16 risk posed by the Crankset Defect to consumers and CPSC, Defendants engaged in  
17 one or more of the following unfair or deceptive business practices as defined in Cal.  
18 Civ. Code § 1770(a):

- 19 a. Representing that the Class Bicycles and Defective Cranksets had a  
20 characteristic that they did not actually have—i.e., that they were strong,  
21 high-quality, safe, dependable, durable, reliable, properly-functioning  
22 and free from defects suitable for normal use, when, in fact, they were  
23 not because the Class Bicycles and Defective Cranksets were defectively  
24 designed such that they had an unreasonably dangerous propensity to  
25 break, causing accidents and injuries;

- 1           b.     Representing that the Class Bicycles and the Defective Cranksets were  
2               of a particular quality, grade, or standard when, in fact, they were not of  
3               that quality, grade, or standard;
- 4           c.     Concealing and failing to disclose that the Class Bicycles and Defective  
5               Cranksets were inherently defective, defectively designed, and not  
6               suitable for their intended use despite advertising them as safe and  
7               suitable for their intended function; and
- 8           d.     Failing to market, distribute, and sell the Class Bicycles and Defective  
9               Cranksets in accordance with Defendants' previous representations—  
10              i.e., that the Class Bicycles and Defective Cranksets s were strong, high-  
11              quality, safe, dependable, durable, reliable and suitable for their intended  
12              use, when, in fact, they were not because of the Crankset Defect.

13 Cal. Civ. Code §§ 1770(a)(5), (7), (9), and (16).

14       ~~332.~~349. Defendants' unfair or deceptive acts or practices, including their  
15 misrepresentations, concealments, omissions, and/or suppressions of material facts,  
16 were designed to mislead and had a tendency or capacity to mislead and create a false  
17 impression in consumers that the Class Bicycles and Defective Cranksets were strong,  
18 safe, dependable, durable and reliable, and had properly-functioning cranksets that  
19 would properly function and be reliable. Defendants' misrepresentations,  
20 concealments, omissions, and suppressions of material facts did, in fact, deceive  
21 reasonable consumers, including Plaintiffs and the other Class Members, about the  
22 true safety, strength, dependability, durability, and reliability of the Class Bicycles  
23 and Defective Cranksets

24       ~~333.~~350. Defendants intended for Plaintiffs and the other Class Members to  
25 rely on their misrepresentations, omissions, and concealment – which they did by  
26 purchasing the Defective Cranksets and Class Bicycles at the prices they paid  
27 believing that their Defective Cranksets and Class Bicycles would not have a Crankset  
28

1 Defect that would affect the strength, quality, durability, dependability, reliability,  
2 and safety of the Class Bicycles and the Defective Cranksets.

3 ~~334.~~351. Defendants' misrepresentations, concealments, omissions, and  
4 suppressions of material facts regarding the Crankset Defect and true characteristics  
5 of the Defective Cranksets and Class Bicycles were material to the decisions of  
6 Plaintiffs and the other Class Members to purchase those cranksets and bicycles, as  
7 Defendants intended. Plaintiffs and the other Class Members were exposed to those  
8 misrepresentations, concealments, omissions, and suppressions of material facts, and  
9 relied on Defendants' misrepresentations that the Class Bicycles and their Defective  
10 Cranksets were safe and reliable in deciding to purchase the Class Bicycles and  
11 Defective Cranksets.

12 ~~335.~~352. Plaintiffs' and Class Members' reliance was reasonable, as they  
13 had no way of discerning that Defendants' representations were false and misleading,  
14 or otherwise learning the facts that Defendants had concealed or failed to disclose.  
15 Plaintiffs and the other Class Members did not, and could not, unravel Defendants'  
16 deception on their own.

17 ~~336.~~353. A reasonable consumer would have considered them important in  
18 deciding whether to purchase Defendants' Class Bicycles and Defective Cranksets or  
19 pay a lesser price. Had they known the truth about the Crankset Defect, Plaintiffs and  
20 the Class members would not have purchased the Defective Cranksets and/or Class  
21 Bicycles, or would have paid significantly less for them.

22 ~~337.~~354. Defendants could have and should have prominently disclosed the  
23 defect on the product listings on its website, on product packaging, and to third-party  
24 retailers. Had Defendants disclosed the Crankset Defect in this manner, Plaintiffs,  
25 Class Members and reasonable consumers would have been aware of it.

26 ~~338.~~355. Defendants profited from selling the falsely, deceptively, and  
27 unlawfully advertised Class Bicycles and Defective Cranksets to unwary purchasers.  
28

1 ~~339.356.~~ 356. As a direct and proximate result of Defendants' deceptive  
2 practices, Plaintiffs and the other Class Members have sustained economic injury and  
3 loss – either by purchasing a crankset or bicycle they otherwise would not have  
4 purchased or paying more than they otherwise would have as a result of Defendants'  
5 actions and omissions alleged above – that first occurred at the time each Defective  
6 Crankset and/or Class Bicycle was purchased.

7 ~~340.357.~~ 357. Defendants' violations present a continuing risk to Plaintiffs and  
8 the other Class Members, as well as to the general public, because the Class Bicycles  
9 and Defective Cranksets remain unsafe due to the Crankset Defect therein.  
10 Defendants' unlawful acts and practices complained of herein affect the public  
11 interest.

12 ~~341.358.~~ 358. Plaintiffs and the other Class Members timely provided  
13 Defendants notice of the issues raised in this count and this Complaint and an  
14 opportunity to cure, as alleged in the paragraphs addressing Defendants' notice,  
15 above. Because Defendants failed to adequately remedy their unlawful conduct,  
16 Plaintiffs seeks all damages and relief to which Plaintiffs and the other Class Members  
17 are entitled.

18 ~~342.359.~~ 359. Alternatively, Plaintiffs and the other Class Members were  
19 excused from providing Defendants with notice and an opportunity to cure the breach,  
20 because it would have been futile. As alleged above, Defendants knew about the  
21 Crankset Defect for years. Moreover, although Shimano issued a recall, that recall is  
22 inadequate because, inter alia: (a) it is belated because Defendants knew about the  
23 Defective Cranksets, including Defective Cranksets included in Class Bicycles, for  
24 years and did nothing to recall or remedy the serious safety defect; (b) with hundreds  
25 of thousands of Class Bicycles and Defective Cranksets impacted in existing and  
26 potential future recalls, as a result of Defendants' misrepresentations about and  
27 omission/concealment of the Crankset Defect, the recalls cannot be implemented  
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effectively due to supply constraints and resulting delays; and (c) the recalls are incomplete, and apply to only a subset of the Class Bicycles and Defective Cranksets.

~~343.360.~~ Defendants' violations present a continuing risk to Plaintiffs and the other Class Members, as well as to the general public, because the Class Bicycles and Defective Cranksets remain unsafe due to the defect therein. Defendants' unlawful acts and practices complained of herein affect the public interest.

~~344.361.~~ Plaintiffs currently seek injunctive relief, reasonable attorney fees and costs, and any other relief that the Court deems proper, and do not yet seek money damages under this count. In accordance with section 1782(a) of the CLRA, Plaintiffs' counsel provided notice, on behalf of Plaintiffs and the other Class Members, as alleged above.

~~345.362.~~ If Defendants fail to correct or agree to correct their actions, Plaintiff will amend this Complaint to include compensatory and monetary damages to which Plaintiff and other Class Members are entitled.

~~346.363.~~ Pursuant to California Civil Code § 1780, Plaintiff seeks injunctive relief, reasonable attorney fees and costs, and any other relief the Court deems proper.

**E. COUNT X: FALSE ADVERTISING UNDER THE CALIFORNIA FALSE ADVERTISING LAW (CAL. BUS. & PROF. CODE §§ 17500, ET SEQ.)**

(Against Shimano, Specialized, and Trek)

~~347.364.~~ Plaintiffs reallege and incorporate by reference each of the allegations in Paragraphs 1-15~~8~~<sup>9</sup>, above, as though fully set forth herein.

~~348.365.~~ Plaintiffs Delgado, Erazo, Gonyer, Hawkins, Jennings, and Litam bring this count under California law, individually and on behalf of the other members of the California Subclass against all Shimano and Trek for their respective Class Bicycles and Defective Cranksets. For the remaining Defendants, Plaintiffs who

1 purchased their Class Bicycles or Defective Cranksets in states with materially similar  
2 laws may represent Subclasses under this count against all other Defendants.

3 ~~349.~~366. For purposes of this count, Plaintiffs Delgado, Erazo, Gonyer,  
4 Hawkins, Jennings, and Litam shall be referred to as “Plaintiffs,” and members of the  
5 California Subclass shall be referred to as “Class Members.” For purposes of this  
6 count, Shimano and Trek shall be referred to as “Defendants.”

7 ~~350.~~367. Plaintiffs, Class Members and Defendants are “persons” within  
8 the meaning of Cal. Bus. & Prof. Code § 17506.

9 ~~351.~~368. The California False Advertising Law (“FAL”) states: “It is  
10 unlawful for any . . . corporation . . . with intent directly or indirectly to dispose of  
11 real or personal property . . . to induce the public to enter into any obligation relating  
12 thereto, to make or disseminate or cause to be made or disseminated . . . from this  
13 state before the public in any state, in any newspaper or other publication, or any  
14 advertising device, . . . or in any other manner or means whatever, including over the  
15 Internet, any statement . . . which is untrue or misleading, and which is known, or  
16 which by the exercise of reasonable care should be known, to be untrue or  
17 misleading.” Cal. Bus. & Prof. Code § 17500.

18 ~~352.~~369. Defendants, directly and through their agents, employees, and/or  
19 subsidiaries, violated the FAL by knowingly and intentionally misrepresenting,  
20 omitting, concealing, and/or failing to disclose material facts regarding the strength,  
21 reliability, durability of the Class Bicycles and Defective Cranksets, as detailed above.  
22 Defendants’ actionable conduct includes misrepresentations, omissions, concealment,  
23 and failure to disclose the known separation, delamination, and failure defect of the  
24 Class Bicycles and Defective Cranksets.

25 ~~353.~~370. The FAL imposes an ongoing duty on Defendants to refrain from  
26 unfair and deceptive business practices, which includes disclosing all material facts,  
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1 such as latent dangerous defects, of the Class Bicycles and Defective Cranksets to  
2 consumers because:

- 3 a. Given the Defendants' role in the design, manufacture, testing, and sale  
4 of the Class Bicycles and Defective Cranksets, and their experience and  
5 knowledge as experts and long-time veterans of the bicycle industry,  
6 they possessed exclusive access to and were in a superior position to  
7 know the true facts about the Class Bicycles and Defective Cranksets;
- 8 b. Given Shimano's design, development, testing and manufacture of the  
9 Defective Cranksets and its experience and knowledge as an expert and  
10 long-time veteran of the bicycle industry, it, along with the Bicycle  
11 Manufacturer Defendants, possessed exclusive access to and was in a  
12 superior position to know the true facts about the Defective Cranksets;
- 13 c. Defendants knew that the Class Bicycles and Defective Cranksets gave  
14 rise to serious safety concerns for the consumers who purchased the  
15 Class Bicycles and Defective Cranksets;
- 16 d. Given the Crankset Defect's hidden and technical nature, Plaintiffs and  
17 the other Class Members lacked the sophisticated expertise in bicycle  
18 and crankset components and design and technology necessary to  
19 discover that the Class Bicycles and Defective Cranksets were defective;
- 20 e. Plaintiffs and the Class Members could not reasonably have been  
21 expected to learn or discover that the Class Bicycles and Defective  
22 Cranksets had a safety defect before purchase;
- 23 f. Defendants knew that Plaintiffs and the other Class Members could not  
24 reasonably have been expected to learn or discover the defect and the  
25 associated repair or replacement costs;
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- 1 g. Defendants knew that the Class Bicycles and Defective Cranksets, and  
2 the defect therein, gave rise to serious safety concerns for consumers  
3 who purchased them;
- 4 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm  
5 in that, among other things, the Defective Cranksets can break during  
6 normal use and riding, causing loss of balance and accidents that can lead  
7 to severe and potentially fatal injuries;
- 8 i. Defendants knew about and investigated the Crankset Defect, but then  
9 did not notify consumers about it, disclose the Crankset Defect to CPSC,  
10 or further launch a comprehensive recall for all Class Bicycles and  
11 Defective Cranksets, which individually and together deprived Plaintiffs  
12 of an opportunity that otherwise could have led them to discover the truth  
13 about the Crankset Defect in their Class Bicycles and Defective  
14 Cranksets;
- 15 j. Defendants actively concealed the defect and the associated repair and  
16 replacement costs by responding to negative reviews and inquiries  
17 without disclosing the defect, asserting that the Class Bicycles and  
18 Defective Cranksets were not defective, asserting that non-design factors  
19 caused problems with the Defective Cranksets, and replacing defectively  
20 designed Class Bicycles and Defective Cranksets with identical  
21 defectively designed Class Bicycles and Defective Cranksets; and
- 22 k. Defendants made, helped to make, or conspired to make partial and  
23 incomplete representations about strength, safety, quality, durability,  
24 dependability and reliability of the Class Bicycles and Defective  
25 Cranksets, while purposefully withholding material facts about a known  
26 safety defect. Because they volunteered to provide information about the  
27 Class Bicycles and Defective Cranksets that they marketed and offered  
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1 for sale to consumers, Defendants had the duty to disclose the whole  
2 truth.

3 ~~354.~~371. By misrepresenting the Class Bicycles and Defective Cranksets as  
4 strong, high-quality, safe, dependable, durable, reliable, properly-functioning and free  
5 from defects, and/or by failing to disclose and actively concealing the dangers and  
6 risk posed by the Crankset Defect to consumers and CPSC, Defendants engaged in  
7 untrue and misleading advertising prohibited by Cal. Bus. & Prof. Code § 17500.

8 ~~355.~~372. Defendants made or caused to be made and disseminated  
9 throughout California advertising, marketing, labeling, and other publications  
10 containing numerous statements that were untrue or misleading, and which were  
11 known, or which by the exercise of reasonable care they should have been known to  
12 be untrue and misleading to consumers, including Plaintiffs and the other Class  
13 Members.

14 ~~356.~~373. Defendants' unfair or deceptive acts and practices, including their  
15 misrepresentations, concealments, omissions, and suppressions of material facts, were  
16 designed to mislead and had a tendency or capacity to mislead and create a false  
17 impression in consumers that the Class Bicycles and Defective Cranksets were safe,  
18 secure, and reliable, and that they did not contain a defect. Indeed, those  
19 misrepresentations, concealments, omissions, and suppressions of material facts did  
20 in fact deceive reasonable consumers, including Plaintiffs and Class Members, about  
21 the true safety and reliability of the Class Bicycles and Defective Cranksets, the  
22 quality of the Class Bicycles and Defective Cranksets, and the true value of the Class  
23 Bicycles and Defective Cranksets.

24 ~~357.~~374. Defendants intended for Plaintiffs and the other Class Members to  
25 rely on their misrepresentations, omissions, and concealment—which they did by  
26 purchasing Class Bicycles and Defective Cranksets at the prices they paid believing  
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1 that the Class Bicycles and Defective Cranksets would not have a defect that would  
2 affect their quality, reliability, and safety.

3 ~~358.375.~~ 375. Defendants' misrepresentations, omissions, and concealment of  
4 materials regarding the defect in the Class Bicycles and Defective Cranksets, and true  
5 characteristics thereof, were material to the decisions of Plaintiffs and the other Class  
6 Members to purchase the Class Bicycles and Defective Cranksets, as Defendants  
7 intended. Plaintiffs and the other Class Members were exposed to those  
8 misrepresentations, concealments, omissions, and suppressions of material facts, and  
9 relied on the Defendants' misrepresentations and omissions that the Class Bicycles  
10 and Defective Cranksets were safe, secure, and reliable in deciding to purchase and  
11 Class Bicycles and Defective Cranksets.

12 ~~359.376.~~ 376. Absent Defendants' disclosure of material facts, Plaintiffs and the  
13 other Class Members cannot discover the defect because it requires complex defective  
14 Crankset manufacturing knowledge and access to documents in the exclusive  
15 possession of the Defendants.

16 ~~360.377.~~ 377. The fact that the Class Bicycles and Defective Cranksets may  
17 separate, delaminate, or fail is a material fact that requires disclosure under the FAL.

18 ~~361.378.~~ 378. Defendants did not disclose the defect to consumers until almost  
19 a decade after discovering it, in their recall on September 21, 2023.

20 ~~362.379.~~ 379. Plaintiffs and the other Class Members reasonably relied on  
21 Defendants' concealment of misrepresentations, omissions, and concealment of  
22 material facts regarding the reliability, durability, and strength of the Class Bicycles  
23 and defective Crankset by purchasing them and believing they would be safe to use.

24 ~~363.380.~~ 380. Plaintiffs' and Class Members' reliance on Defendants'  
25 misrepresentations, omissions and concealment was reasonable because they did not  
26 and could not know of the defect because they do not possess the necessary complex  
27 skill and knowledge required to identify it, and Defendants misrepresented, concealed  
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1 and failed to disclose material facts that would have made discovery of the defect  
2 possible to ordinary consumers.

3 ~~364.~~381. Had Plaintiffs and the other Class Members known the truth about  
4 the defective nature of the Class Bicycles and Defective Cranksets, they would not  
5 have purchased them or would have paid significantly paid less for them.

6 ~~365.~~382. Defendants' violations present a continuing risk to Plaintiffs and  
7 the other Class Members, as well as to the general public, because the Class Bicycles  
8 and Defective Cranksets remain unsafe due to the defect. The unlawful acts and  
9 practices complained of, herein, affect the public interest.

10 ~~366.~~383. Plaintiffs and the other Class Members will likely continue to be  
11 damaged by Defendants' deceptive trade practices because Defendants continue  
12 disseminating misleading information on the Class Bicycles and Defective Cranksets'  
13 packaging and online retail listings. Thus, injunctive relief enjoining Defendants'  
14 deceptive practices is proper.

15 ~~367.~~384. Defendants' conduct caused and continues to cause substantial  
16 injury to Plaintiffs and the other Class Members. Plaintiffs have suffered injury in fact  
17 as a result of Defendants' unlawful conduct.

18 ~~368.~~385. Plaintiffs and the other Class Members seek an order enjoining the  
19 Defendants' false advertising, any such orders or judgments as may be necessary to  
20 restore to Plaintiffs and the other Class Members any money acquired by unfair  
21 competition, including restitution and/or restitutionary disgorgement, and any other  
22 just and proper relief available under the false advertising provisions of the California  
23 FAL.

24 ~~369.~~386. Plaintiffs plead this claim separately, see "Inadequacy of Legal  
25 Remedies," *supra*, as well as in the alternative to claims for damages under Fed. R.  
26 Civ. P. 8(a)(3), because if the Court dismisses Plaintiffs' claims for damages or enters  
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1 judgment on them in favor of the Defendants, Plaintiffs' will have no adequate legal  
2 remedy.

3 **F. COUNT XI: VIOLATION OF CALIFORNIA'S UNFAIR**  
4 **COMPETITION LAW (CAL. BUS. & PROF. CODE § 17200, ET SEQ.)**

5 (Against Shimano, Specialized, and Trek)

6 ~~370.~~387. Plaintiffs reallege and incorporate by reference each of the  
7 allegations in Paragraphs 1-15~~8~~9, above, as though fully set forth herein.

8 ~~371.~~388. Plaintiffs Delgado, Erazo, Gonyer, Hawkins, Jennings, and Litam  
9 bring this count under California law, individually and on behalf of the other members  
10 of the California Subclass against all Shimano and Trek for their respective Class  
11 Bicycles and Defective Cranksets. For the remaining Defendants, Plaintiffs who  
12 purchased their Class Bicycles or Defective Cranksets in states with materially similar  
13 laws may represent Subclasses under this count against all other Defendants.

14 ~~372.~~389. For purposes of this count, Plaintiffs Delgado, Erazo, Gonyer,  
15 Hawkins, Jennings, and Litam shall be referred to as "Plaintiffs," and members of the  
16 California Subclass shall be referred to as "Class Members." For purposes of this  
17 count, Shimano and Trek shall be referred to as "Defendants."

18 ~~373.~~390. California's Unfair Competition Law ("UCL") prohibits "unfair  
19 [business] competition," including any "unlawful, unfair or fraudulent" act or  
20 practice, as well as any "unfair, deceptive, untrue or misleading advertising." Cal.  
21 Bus. & Prof. Code § 17200.

22 ~~374.~~391. Defendants committed an unlawful business act or practice in  
23 violation of § 17200 by violating the California FAL and CLRA, California  
24 Commercial Code, and Song-Beverly Consumer Warranty Act, and other laws  
25 alleged herein.

26 ~~375.~~392. Unfair: Defendant's conduct concerning the labeling, advertising,  
27 and sale of the Class Bicycles and Defective Cranksets was "unfair" because  
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1 Defendants' conduct was immoral, unethical, unscrupulous, or substantially injurious  
2 to consumers and the utility of their conduct, if any, does not outweigh the gravity of  
3 the harm to their victims. Distributing materially unsafe Class Bicycles and Defective  
4 Cranksets has no public utility at all. These acts and practices offend established  
5 public policy. Defendants' conduct impaired competition and prevented Plaintiffs and  
6 the other Class Members from making fully informed decisions about whether to  
7 purchase the Class Bicycles and Defective Cranksets and/or the price to be paid to  
8 purchase them.

9 ~~376.393.~~ 377.394. Any countervailing benefits to consumers or competition did not  
10 outweigh this injury. Selling Class Bicycles and Defective Cranksets unsafe and unfit  
11 for their intended purposes only injures healthy competition and harms consumers.  
12 Defendants also minimized and ignored the scope of the defect for many years despite  
13 knowing the Class Bicycles and Defective Cranksets are unreasonably dangerous,  
14 made repairs and replacements during the warranty period that caused instances of  
15 failure and unbeknownst to consumers did not provide a permanent fix, and  
16 knowingly sold defective Class Bicycles and Defective Cranksets in hopes of forcing  
17 consumers to purchase replacement bicycles and cranksets.

18 ~~377.394.~~ 378.395. Defendants' conduct concerning the labeling, advertising, and sale  
19 of the Class Bicycles and Defective Cranksets was and is also unfair because it  
20 violates public policy as declared by specific constitutional, statutory, or regulatory  
21 provisions, including but not limited to the applicable sections of the Consumers  
22 Legal Remedies Act and the Song-Beverly Consumer Warranty Act.

23 ~~378.395.~~ 379.396. Fraudulent: A statement or practice is "fraudulent" under the UCL  
24 if it is likely to mislead or deceive the public, applying an objective reasonable  
25 consumer test.

26 ~~379.396.~~ 380.397. As set forth herein, Defendants designed, developed,  
27 manufactured, and sold Defective Cranksets and installed them in the Class Bicycles,  
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1 knowingly and intentionally marketed the Class Bicycles and Defective Cranksets  
2 with the defect while misrepresenting the strength, high-quality, safety, dependability,  
3 durability and reliability of the Class Bicycles and Defective Cranksets and/or  
4 knowingly omitting and failing to disclose material facts that the Class Bicycles and  
5 Defective Cranksets suffer from the Crankset Defect (and the costs, risks, and  
6 diminished value of the Class Bicycles and Defective Cranksets as a result).  
7 Defendants knew that the Class Bicycles and Defective Cranksets were defectively  
8 designed, posed an unreasonable safety risk, and unsuitable for their intended use.

9 ~~380.~~397. Defendants were under a duty to Plaintiffs and the Class  
10 Members to disclose the defective nature of the Class Bicycles and Defective  
11 Cranksets because:

- 12 a. Given the Defendants' role in the design, manufacture, testing, and sale  
13 of the Class Bicycles and Defective Cranksets, and their experience and  
14 knowledge as experts and long-time veterans of the bicycle industry,  
15 they possessed exclusive access to and were in a superior position to  
16 know the true facts about the Class Bicycles and Defective Cranksets;
- 17 b. Given Shimano's design, development, testing and manufacture of the  
18 Defective Cranksets and its experience and knowledge as an expert and  
19 long-time veteran of the bicycle industry, it, along with the Bicycle  
20 Manufacturer Defendants, possessed exclusive access to and was in a  
21 superior position to know the true facts about the Defective Cranksets;
- 22 c. Defendants knew that the Class Bicycles and Defective Cranksets gave  
23 rise to serious safety concerns for the consumers who purchased the  
24 Class Bicycles and Defective Cranksets;
- 25 d. Given the Crankset Defect's hidden and technical nature, Plaintiffs and  
26 the other Class Members lacked the sophisticated expertise in bicycle  
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- 1 and crankset components and design and technology necessary to  
2 discover that the Class Bicycles and Defective Cranksets were defective;
- 3 e. Plaintiffs and the Class Members could not reasonably have been  
4 expected to learn or discover that the Class Bicycles and Defective  
5 Cranksets had a safety defect before purchase;
- 6 f. Defendants knew that Plaintiffs and the other Class Members could not  
7 reasonably have been expected to learn or discover the defect and the  
8 associated repair or replacement costs;
- 9 g. Defendants knew that the Class Bicycles and Defective Cranksets, and  
10 the defect therein, gave rise to serious safety concerns for consumers  
11 who purchased them;
- 12 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm  
13 in that, among other things, the Defective Cranksets can break during  
14 normal use and riding, causing loss of balance and accidents that can lead  
15 to severe and potentially fatal injuries;
- 16 i. Defendants knew about and investigated the Crankset Defect, but then  
17 did not notify consumers about it, disclose the Crankset Defect to CPSC,  
18 or further launch a comprehensive recall for all Class Bicycles and  
19 Defective Cranksets, which individually and together deprived Plaintiffs  
20 of an opportunity that otherwise could have led them to discover the truth  
21 about the Crankset Defect in their Class Bicycles and Defective  
22 Cranksets;
- 23 j. Defendants actively concealed the defect and the associated repair and  
24 replacement costs by responding to negative reviews and inquiries  
25 without disclosing the defect, asserting that the Class Bicycles and  
26 Defective Cranksets were not defective, asserting that non-design factors  
27 caused problems with the Defective Cranksets, and replacing defectively  
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designed Class Bicycles and Defective Cranksets with identical defectively designed Class Bicycles and Defective Cranksets; and

k. Defendants made, helped to make, or conspired to make partial and incomplete representations about strength, safety, quality, durability, dependability and reliability of the Class Bicycles and Defective Cranksets, while purposefully withholding material facts about a known safety defect. Because they volunteered to provide information about the Class Bicycles and Defective Cranksets that they marketed and offered for sale to consumers, Defendants had the duty to disclose the whole truth.

~~381.~~398. Defendants could have and should have prominently disclosed the defect on the product listings on its website, on product packaging, and to third-party retailers. Had Defendants disclosed the defect in this manner, Plaintiffs, Class Members, and reasonable consumers would have been aware of it.

~~382.~~399. Defendants' unfair or deceptive acts or practices were designed to mislead and had a tendency or capacity to mislead and create a false impression in consumers that the Class Bicycles and Defective Cranksets were strong, safe, high quality, reliable, durable, dependable, and properly functioning and that the Class Bicycles and Defective Cranksets did not contain any defects. Those misrepresentations, concealments, omissions, and suppressions of material facts did, in fact, deceive reasonable consumers, including Plaintiffs and the other Class Members, about the true strength, quality, safety, durability, dependability, and reliability of the Class Bicycles and Defective Cranksets, as well as the quality and true value thereof.

~~383.~~400. Defendants' misrepresentations, concealments, omissions, and suppressions of material facts were material to Plaintiffs' and Class Members' decisions in that a reasonable consumer would have considered them important in

1 deciding whether to purchase Defendants' Class Bicycles and Defective Cranksets or  
2 pay a lesser price. Plaintiffs and the other Class Members were exposed to  
3 Defendants' misrepresentations, concealments, omissions, and suppressions of facts,  
4 and relied on Defendants' misrepresentations, concealment, omission and non-  
5 disclosure that the Class Bicycles and Defective Cranksets were safe and reliable.

6 ~~384.401.~~ 384.401. Plaintiffs' and Class Members' reliance was reasonable, as they  
7 had no way of discerning Defendants' representations were false and misleading, or  
8 otherwise learning of the defect, as alleged above. Plaintiffs and the other Class  
9 Members did not, and could not, unravel Defendants' deception on their own.

10 ~~385.402.~~ 385.402. Had Plaintiffs and the other Class Members known about the  
11 defective nature of the Class Bicycles and Defective Cranksets, they would not have  
12 purchased them or paid less for them.

13 ~~386.403.~~ 386.403. Defendants profited from selling the falsely, deceptively, and  
14 unlawfully advertised Class Bicycles and Defective Cranksets to unwary purchasers.

15 ~~387.404.~~ 387.404. Plaintiffs and the other Class Members suffered ascertainable loss  
16 as a direct and proximate result of Defendants' unlawful, fraudulent, and unfair  
17 business acts and practices. Plaintiffs and the other Class Members will likely  
18 continue to be damaged, as will the general public, by Defendants' deceptive trade  
19 practices because Defendants continue disseminating misleading information on the  
20 packaging and in online retail listings regarding the Class Bicycles and Defective  
21 Cranksets, and the Class Bicycles and Defective Cranksets remain unsafe due to the  
22 defect therein. Defendants' unlawful acts and practices complained of herein affect  
23 the public interest. Thus, injunctive relief enjoining Defendants' deceptive practices  
24 is proper.

25 ~~388.405.~~ 388.405. Defendants' conduct caused and continues to cause substantial  
26 injury to Plaintiffs and the other Class Members. Plaintiff has suffered injury in fact  
27 as a result of Defendants' unlawful conduct.  
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1 ~~389.406.~~ Under Cal. Bus. & Prof. Code § 17203, Plaintiff seeks an order  
2 enjoining Defendants' unfair and/or deceptive acts or practices, any such orders or  
3 judgments as may be necessary to restore, to Plaintiffs and the other Class Members,  
4 any money acquired by unfair competition, including restitution of all monies from  
5 the sale of the Class Bicycles and Defective Cranksets and/or restitutionary  
6 disgorgement of all moneys which were unjustly acquired through acts of unlawful  
7 competition as provided in Cal. Bus. & Prof. Code § 17203, and any other just and  
8 proper relief available under the California UCL.

9 ~~390.407.~~ Plaintiffs plead this claim separately, see "Inadequacy of Legal  
10 Remedies," *supra*, as well as in the alternative to claims for damages under Fed. R.  
11 Civ. P. 8(a)(3), because if the Court dismisses Plaintiffs' claims for damages or enters  
12 judgment on them in favor of the Defendants, Plaintiffs' will have no adequate legal  
13 remedy.

14 **G. COUNT XII: FRAUD**

15 (Against Shimano, Specialized, and Trek)

16 ~~391.408.~~ Plaintiffs reallege and incorporate by reference each of the  
17 allegations in Paragraphs 1-15~~89~~, above, as though fully set forth herein.

18 ~~392.409.~~ Plaintiffs Delgado, Erazo, Gonyer, Hawkins, Jennings, and Litam  
19 bring this count under California law, under both the misrepresentation and  
20 omission/concealment theories, under California law, individually and on behalf of  
21 the California Subclass against Shimano and Trek for their respective Class Bicycles  
22 and Defective Cranksets. For the remaining Defendants, Plaintiffs who purchased  
23 their Class Bicycles or Defective Cranksets in states with materially similar laws may  
24 represent Subclasses under this count against all other Defendants.

25 ~~393.410.~~ For purposes of this count, Plaintiffs Delgado, Erazo, Gonyer,  
26 Hawkins, Jennings, and Litam shall be referred to as "Plaintiffs," and members of the  
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1 California Subclass shall be referred to as “Class Members.” For purposes of this  
2 count, Shimano and Trek shall be referred to as “Defendants.”

3 **1. Affirmative Misrepresentation**

4 ~~394.~~411. Defendants represented and marketed the Class Bicycles and  
5 Defective Cranksets as strong, of high-quality, durable, dependable, and reliable.  
6 These representations are understood in the cycling community and consumers to  
7 mean that the Class Bicycles and Defective Cranksets are “safe” for ordinary use.

8 ~~395.~~412. The strength, quality, durability, dependability and reliability of  
9 the Defective Cranksets and the Class Bicycles in which the Defective Cranksets were  
10 installed were material facts because a reasonable person would find it important in  
11 purchasing or retaining a new or used bicycle and because it directly impacts the value  
12 of the Class Bicycles and Defective Cranksets purchased by Plaintiffs and the other  
13 Class Members.

14 ~~396.~~413. Defendants’ representations regarding the Defective Cranksets  
15 and Class Bicycles’ strength, quality, durability, dependability and reliability—all  
16 terms that signal “safety” to consumers—were false because the Class Bicycles and  
17 Defective Cranksets contain the Crankset Defect that causes the cranksets to break  
18 during normal use. In doing so, the presence of the Crankset Defect makes the  
19 Defective Cranksets and Class Bicycles unsafe for normal use.

20 ~~397.~~414. Defendants knew that their representations were false and  
21 intended Plaintiffs and the other Class Members to rely on them. —which they did by  
22 purchasing the Class Bicycles and Defective Cranksets at the prices they paid  
23 believing that they would not have a Crankset Defect that would affect the quality,  
24 reliability, durability, strength and safety of the Class Bicycles and Defective  
25 Cranksets.

26 ~~398.~~415. Plaintiffs’ and Class Members’ reliance was reasonable because a  
27 reasonable consumer would not have expected that the Class Bicycles and Defective  
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1 Cranksets contained a safety defect that poses such a serious risk. They had no way  
2 of learning the facts that Defendants had concealed or failed to disclose. Plaintiffs and  
3 the other Class Members did not, and could not, unravel Defendants' deception on  
4 their own.

5 ~~399.416.~~ Had Plaintiffs and the other Class Members known of the Crankset  
6 Defect within the Class Bicycles or Defective Cranksets, they would not have  
7 purchased the Class Bicycles or Defective Cranksets or would have paid less for them.

8 ~~400.417.~~ As a direct and proximate result of Defendants' omissions and  
9 concealment, Plaintiffs and other Class Members either overpaid for the Class  
10 Bicycles or Defective Cranksets, or would not have purchased the Class Bicycles or  
11 Defective Cranksets at all if the Crankset Defect had been disclosed to them.  
12 Accordingly, Defendants are liable to Plaintiffs and the other Class Members for their  
13 damages in an amount to be proven at trial.

14 ~~401.418.~~ Defendants acted maliciously, oppressively, deliberately, with  
15 intent to defraud; in reckless disregard of the Plaintiffs' and Class Members' rights  
16 and well-being; and to enrich themselves. Defendants' misconduct warrants an  
17 assessment of punitive damages, as permitted by law, in an amount sufficient to deter  
18 such conduct in the future, which amount shall be determined according to proof at  
19 trial.

## 20 **2. Omission/Concealment**

21 ~~402.419.~~ Defendants are liable for fraud by omission, concealment, and/or  
22 non-disclosure. *See, e.g.,* Restatement (Second) of Torts §§ 550-51 (1977).

23 ~~403.420.~~ Defendants owed Plaintiffs and the other Class Members a duty to  
24 disclose all the material facts concerning the Defective Cranksets in the Class  
25 Bicycles and Defective Cranksets because:

- 26 a. Given the Defendants' role in the design, manufacture, pre-sale  
27 testing, sale, and post-sale monitoring of the Class Bicycles and  
28

1 Defective Cranksets, and their experience and knowledge as experts  
2 and long-time veterans of the bicycle industry, they possessed  
3 exclusive access to and were in a superior position to know the true  
4 facts about the Class Bicycles and Defective Cranksets;

5 b. Given Shimano's design, development, testing and manufacture of  
6 the Defective Cranksets and its experience and knowledge as an  
7 expert and long-time veteran of the bicycle industry, it, along with  
8 the Bicycle Manufacturer Defendants, possessed exclusive access to  
9 and was in a superior position to know the true facts about the  
10 Defective Cranksets, including their component parts, design,  
11 adhesive properties, tolerances, and other information not known to  
12 Plaintiffs or Class Members;

13 c. Defendants knew that the Class Bicycles and Defective Cranksets  
14 gave rise to serious safety concerns for the consumers who  
15 purchased the Class Bicycles and Defective Cranksets;

16 d. Given the Crankset Defect's hidden, proprietary, and technical  
17 nature, Plaintiffs and the other Class Members lacked the  
18 sophisticated expertise in bicycle and crankset components and  
19 design and technology necessary to discover that the Class Bicycles  
20 and Defective Cranksets were defective;

21 e. Plaintiffs and the Class Members could not reasonably have been  
22 expected to learn or discover that the Class Bicycles and Defective  
23 Cranksets had a safety defect before purchase;

24 f. Defendants knew that Plaintiffs and the other Class Members could  
25 not reasonably have been expected to learn or discover the defect  
26 and the associated repair or replacement costs;



- 1 g. Defendants knew that the Class Bicycles and Defective Cranksets,  
2 and the defect therein, gave rise to serious safety concerns for  
3 consumers who purchased them;
- 4 h. The Class Bicycles and Defective Cranksets pose a severe risk of  
5 harm in that, among other things, the Defective Cranksets can break  
6 during normal use and riding, causing loss of balance and accidents  
7 that can lead to severe and potentially fatal injuries;
- 8 i. Defendants knew about and investigated the Crankset Defect, but  
9 then did not notify consumers about it, disclose the Crankset Defect  
10 to CPSC, or further launch a comprehensive recall for all Class  
11 Bicycles and Defective Cranksets, which individually and together  
12 deprived Plaintiffs of an opportunity that otherwise could have led  
13 them to discover the truth about the Crankset Defect in their Class  
14 Bicycles and Defective Cranksets;
- 15 j. Defendants actively concealed the defect and the associated repair  
16 and replacement costs by responding to negative reviews and  
17 inquiries without disclosing the defect, asserting that the Class  
18 Bicycles and Defective Cranksets were not defective, asserting that  
19 non-design factors caused problems with the Defective Cranksets,  
20 and replacing defectively designed Class Bicycles and Defective  
21 Cranksets with identical defectively designed Class Bicycles and  
22 Defective Cranksets; and
- 23 k. Defendants made, helped to make, or conspired to make partial and  
24 incomplete representations about strength, safety, quality,  
25 durability, dependability and reliability of the Class Bicycles and  
26 Defective Cranksets, while purposefully withholding material facts  
27 about a known safety defect. Because they volunteered to provide  
28

1 information about the Class Bicycles and Defective Cranksets that  
2 they marketed and offered for sale to consumers, Defendants had the  
3 duty to disclose the whole truth.

4 ~~404.421.~~ 404.421. In breach of their duties, Defendants failed to disclose the  
5 Crankset Defect and that the Class Bicycles and Defective Cranksets were not strong,  
6 safety, high-quality, durable, durable or free of defects to Plaintiffs and the other Class  
7 Members in connection with the sale of the Class Bicycles and Defective Cranksets.

8 ~~405.422.~~ 405.422. The Crankset Defect within the Class Bicycles and Defective  
9 Cranksets is material to the sale of the of the Class Bicycles and Defective Cranksets  
10 because a reasonable person would find it important in purchasing or retaining a new  
11 or used bicycle and because it directly impacts the value of the Class Bicycles and  
12 Defective Cranksets purchased by Plaintiffs and the other Class Members.

13 ~~406.423.~~ 406.423. Defendants intended for Plaintiffs and the other Class Members to  
14 rely on their omissions and concealment—which they did by purchasing the Class  
15 Bicycles and Defective Cranksets at the prices they paid believing that they would not  
16 have a Crankset Defect that would affect the quality, reliability, durability, strength  
17 and safety of the Class Bicycles and Defective Cranksets.

18 ~~407.424.~~ 407.424. Plaintiffs' and Class Members' reliance was reasonable because a  
19 reasonable consumer would not have expected that the Class Bicycles and Defective  
20 Cranksets s contained a safety defect that poses such a serious risk. They had no way  
21 of learning the facts that Defendants had concealed or failed to disclose. Plaintiffs and  
22 the other Class Members did not, and could not, unravel Defendants' deception on  
23 their own.

24 ~~408.425.~~ 408.425. Defendants actively concealed and suppressed these material  
25 facts, in whole or in part, to maintain a market for the Class Bicycles and Defective  
26 Cranksets installed in them, and the Defective Cranksets themselves, to protect  
27 profits, and to avoid costly recalls that would expose them to liability for those  
28

1 expenses and harm the commercial reputations of Defendants and their products.  
2 They did so at the expense of Plaintiffs and the other Class Members.

3 ~~409.426.~~ 426. If Defendants had fully and adequately disclosed the Crankset  
4 Defect to consumers, Plaintiffs and the other Class Members would have seen such a  
5 disclosure.

6 ~~410.427.~~ 427. Through their omissions and concealment with respect to the  
7 Crankset Defect within the Class Bicycles and Defective Cranksets, Defendants  
8 intended to induce, and did induce, Plaintiffs and the other Class Members to either  
9 purchase a Class Bicycle or a Defective Crankset that they otherwise would not have  
10 purchased, or pay more for than they otherwise would have paid for a Class Bicycle  
11 or Defective Crankset.

12 ~~411.428.~~ 428. Had Plaintiffs and the other Class Members known of the Crankset  
13 Defect within the Class Bicycles or Defective Cranksets, they would not have  
14 purchased the Class Bicycles or Defective Cranksets or would have paid less for them.

15 ~~412.429.~~ 429. As a direct and proximate result of Defendants' omissions and  
16 concealment, Plaintiffs and other Class Members either overpaid for the Class  
17 Bicycles or Defective Cranksets, or would not have purchased the Class Bicycles or  
18 Defective Cranksets at all if the Crankset Defect had been disclosed to them.  
19 Accordingly, Defendants are liable to Plaintiffs and the other Class Members for their  
20 damages in an amount to be proven at trial.

21 ~~413.430.~~ 430. Defendants acted maliciously, oppressively, deliberately, with  
22 intent to defraud; in reckless disregard of the Plaintiffs' and Class Members' rights  
23 and well-being; and to enrich themselves. Defendants' misconduct warrants an  
24 assessment of punitive damages, as permitted by law, in an amount sufficient to deter  
25 such conduct in the future, which amount shall be determined according to proof at  
26 trial.

**H. COUNT XIII: UNJUST ENRICHMENT**

(Against Shimano, Specialized, and Trek)

~~414.~~431. Plaintiffs reallege and incorporate by reference each of the allegations in Paragraphs 1-15~~8~~9, above, as though fully set forth herein.

~~415.~~432. Plaintiffs Delgado, Erazo, Gonyer, Hawkins, Jennings, and Litam bring this count under California law, individually and on behalf of the other members of the California Subclass against all Shimano and Trek for their respective Class Bicycles and Defective Cranksets. For the remaining Defendants, Plaintiffs who purchased their Class Bicycles or Defective Cranksets in states with materially similar laws may represent Subclasses under this count against all other Defendants.

~~416.~~433. For purposes of this count, Plaintiffs Delgado, Erazo, Gonyer, Hawkins, Jennings, and Litam shall be referred to as “Plaintiffs,” and members of the California Subclass shall be referred to as “Class Members.” For purposes of this count, Shimano and Trek shall be referred to as “Defendants.”

~~417.~~434. When they purchased the Class Bicycles or Defective Cranksets, Plaintiffs and Class Member conferred a tangible and material economic benefits on Defendants. Defendants readily accepted and retained the benefits.

~~418.~~435. Plaintiffs and the other Class Members would not have purchased the Defective Cranksets or Class Bicycles, or would have paid less for them, had they known of the Crankset Defect at the time of purchase. Therefore, Defendants profited from the sale of the Defective Cranksets and Class Bicycles to the detriment and expense of Plaintiffs and the other Class Members.

~~419.~~436. Defendants knew or should have known that the payments rendered by Plaintiffs and the other Class Members were given with the expectation that the Class Bicycles and Defective Cranksets would have the qualities, characteristics, and suitability for use represented and warranted by Defendants. Defendants appreciated the economic benefits. The benefits were the expected result

1 of Defendants acting in their own pecuniary interest at the expense of Plaintiffs and  
2 the other Class Members. Defendants knew of the benefits they were receiving  
3 because they were aware of the Crankset Defect in the Class Bicycles and Defective  
4 Cranksets, yet they failed to disclose this knowledge and misled Plaintiffs and the  
5 other Class Members regarding the nature and quality of the Class Bicycles and  
6 Defective Cranksets while profiting from their deception. As such, it would be unjust,  
7 inequitable, and unconscionable for Defendants to retain the benefit of the payments  
8 under these circumstances.

9 ~~420.~~437. By their wrongful acts and omissions described herein, including  
10 selling the Class Bicycles and Defective Cranksets which contain the Crankset Defect,  
11 Defendants were unjustly enriched at the expense of Plaintiffs and the other Class  
12 Members.

13 ~~421.~~438. Plaintiffs' and Class Members' detriment and Defendants'  
14 enrichment were related to and flowed from the wrongful conduct challenged in this  
15 Complaint.

16 ~~422.~~439. Defendants have profited from their unlawful, unfair, misleading,  
17 and deceptive practices at the expense of Plaintiffs and the other Class Members. It  
18 would be unjust, inequitable and unconscionable for Defendants to retain the profits,  
19 benefits, and other compensation obtained from their wrongful conduct alleged herein

20 ~~423.~~440. Defendants have been unjustly enriched in retaining the revenues  
21 derived from Plaintiffs' and Class Members' purchases of Class Bicycles and  
22 Defective Cranksets, which retention of such revenues under these circumstances is  
23 unjust and inequitable because Defendants manufactured the Class Bicycles and  
24 Defective Cranksets, and Defendants affirmatively misrepresented and omitted and/or  
25 concealed the nature of the Class Bicycles and Defective Cranksets, and knowingly  
26 marketed and promoted dangerous and Class Bicycles and Defective Cranksets,  
27 which injured Plaintiffs and the other Class Members because they would not have  
28

1 purchased the Class Bicycles and Defective Cranksets based on the exact  
2 representations if the true facts concerning the Class Bicycles and Defective Cranksets  
3 had been known.

4 ~~424.441.~~ Plaintiffs and putative Class Members are entitled to restitution  
5 and to recover from Defendants all amounts wrongfully collected and improperly  
6 retained by Defendants in the amount necessary to return Plaintiffs and the other Class  
7 Members to the position they occupied prior to dealing with Defendants, with such  
8 amounts to be determined at trial.

9 ~~425.442.~~ As a direct and proximate result of Defendants' wrongful conduct  
10 and unjust enrichment, Plaintiffs and putative Class Members are entitled to  
11 restitution of, disgorgement of, and/or imposition of a constructive trust upon all  
12 profits, benefits, and other compensation obtained by Defendants for their inequitable  
13 and unlawful conduct.

14 ~~426.443.~~ Plaintiffs plead this claim separately as well as in the alternative  
15 to claims for damages under Fed. R. Civ. P. 8(a)(3), because if the Court dismisses  
16 Plaintiffs' claims for damages or enters judgment on them in favor of the Defendants,  
17 Plaintiffs will have no adequate legal remedy.

18 **CLAIMS ASSERTED ON BEHALF OF FLORIDA STATE SUBCLASS**

19 A. **COUNT XIV: BREACH OF EXPRESS WARRANTY (FLA. STAT. §**  
20 **672.313)**

21 (Against Shimano)

22 ~~427.444.~~ Plaintiffs reallege and incorporate by reference each of the  
23 allegations in Paragraphs 1-15~~8~~<sup>9</sup>, above, as though fully set forth herein.

24 ~~428.445.~~ Plaintiffs Bongiovanni, Scorsolini, and Tirado brings this count  
25 under Florida law, individually and on behalf of the other members of the Florida  
26 Subclass against Shimano for the Defective Cranksets.

1 ~~429.446.~~ For purposes of this count, Plaintiffs Bongiovanni, Scorsolini, and  
2 Tirado shall be referred to as “Plaintiffs,” and members of the Florida Subclass shall  
3 be referred to as “Class Members.” For purposes of this count, Shimano shall be  
4 referred to as “Defendant.”

5 ~~430.447.~~ The Class Bicycles and Defective Cranksets are all “goods” under  
6 Fla. Stat. § 672.105(1).

7 ~~431.448.~~ Defendants are “merchants” and “sellers” of the Class Bicycles  
8 and Defective Cranksets under Fla. Stat. §§ 672.104(1) and 672.103(1)(d),  
9 respectively.

10 ~~432.449.~~ Plaintiffs and Class Members who purchased the Class Bicycles  
11 and Defective Cranksets in Florida are “buyers” under Fla. Stat. §§ 672.103(1)(a).

12 ~~433.450.~~ Defendant issued an express written warranty for each Defective  
13 Crankset they sold (including Defective Cranksets equipped in Class Bicycles),  
14 including that:

- 15 a. The Defective Cranksets would be “free of defects in materials and  
16 workmanship” at the time of sale;<sup>41</sup> and  
17 b. The Defective Cranksets were strong, high quality, safe, durable,  
18 dependable, and reliable, and their cranksets would function properly  
19 during the operation of the bicycles.

20 ~~434.451.~~ The warranties listed above formed the basis of the bargain with  
21 regard to Plaintiffs’ and Class Members’ purchase of the Defective Cranksets or Class  
22 Bicycles equipped with Defective Cranksets.

23 ~~435.452.~~ Defendant knowingly breached its warranty for the Defective  
24 Cranksets or Class Bicycles equipped with Defective Cranksets because:  
25  
26

27 <sup>41</sup> Shimano Warranty Policy, [https://ride.shimano.com/pages/shimano-warranty-](https://ride.shimano.com/pages/shimano-warranty-policy)  
28 [policy](https://ride.shimano.com/pages/shimano-warranty-policy), last accessed on December 29, 2023.



1 a. The Defective Cranksets or Class Bicycles equipped with Defective  
2 Cranksets have latent defects which have a dangerous propensity to  
3 cause the bonded crank parts to separate and break, subjecting Plaintiffs  
4 and Class Members to the risk of loss and injury; and

5 b. Defendant denied, concealed, and misrepresented (affirmatively and by  
6 omission) the Crankset Defect, in the process of refusing to pay for or  
7 provide, in a reasonably timely fashion, the needed repairs and  
8 replacements for Plaintiffs and Class Members.

9 ~~436.453.~~ Defendant knew or should have known that the warranties were  
10 false and/or misleading. Specifically, Defendant was aware of the Crankset Defect,  
11 which made the Defective Cranksets or Class Bicycles equipped with Defective  
12 Cranksets inherently defective and dangerous at the time that they were sold to  
13 Plaintiffs and Class Members.

14 ~~437.454.~~ Plaintiffs and Class Members were exposed to Defendant's  
15 misrepresentations and omissions/concealment, and they had no way of discerning  
16 that Defendant's representations and omissions/concealment were false and  
17 misleading or otherwise learning the material facts that Defendants had concealed or  
18 failed to disclose. Accordingly, Plaintiffs and Class Members reasonably relied on  
19 Defendant's express warranties when purchasing the Defective Cranksets or Class  
20 Bicycles equipped with Defective Cranksets.

21 ~~438.455.~~ Plaintiffs and Class Members timely provided the Defendant  
22 notice of the issues raised in this count and this Complaint and an opportunity to cure,  
23 as alleged in the paragraphs addressing Defendant's notice, above.

24 ~~439.456.~~ Alternatively, Plaintiffs and Class Members were excused from  
25 providing Defendant with notice and an opportunity to cure the breach, because it  
26 would have been futile. As alleged above, Defendant knew about the Crankset Defect  
27 for years. Moreover, although Defendant issued a recall, that recall is inadequate  
28

1 because, inter alia: (a) it is belated because Defendant knew about the Defective  
2 Cranksets, including Defective Cranksets included in Class Bicycles, for years and  
3 did nothing to recall or remedy the serious safety defect; (b) with hundreds of  
4 thousands of Class Bicycles and Defective Cranksets impacted in existing and  
5 potential future recalls, as a result of Defendant's misrepresentations about and  
6 omission/concealment of the Crankset Defect, the recalls cannot be implemented  
7 effectively due to supply constraints and resulting delays; and (c) the recalls are  
8 incomplete, and apply to only a subset of the Defective Cranksets or Class Bicycles  
9 equipped with Defective Cranksets.

10 ~~440.457.~~ 457. Privity of contract is not required here because Plaintiffs and Class  
11 Members were each intended third-party beneficiaries of the Defective Cranksets or  
12 Class Bicycles equipped with Defective Cranksets sold through independent retailers.  
13 The retailers were not intended to be the ultimate consumers of the Defective  
14 Cranksets or Class Bicycles equipped with Defective Cranksets and have no rights  
15 under the warranty provided with the Defective Cranksets or Class Bicycles equipped  
16 with Defective Cranksets.

17 ~~441.458.~~ 458. Alternatively, privity of contract is satisfied because Plaintiffs and  
18 Class Members purchased the Defective Cranksets or Class Bicycles equipped with  
19 Defective Cranksets from retailers who were the exclusive retail sellers of  
20 Defendant's products and/or acted as agents of the Defendants.

21 ~~442.459.~~ 459. Plaintiffs and Class Members did not receive or otherwise have  
22 the opportunity to review, at or before the time of sale, any purported warranty  
23 exclusions and limitations of remedies. Accordingly, any such exclusions and  
24 limitations of remedies are unconscionable and unenforceable.

25 ~~443.460.~~ 460. As a direct and proximate result of Defendant's breach of their  
26 express warranties, the Defective Cranksets or Class Bicycles equipped with  
27 Defective Cranksets were and are defective and the Crankset Defect was not  
28

1 remedied. Therefore, Plaintiffs and Class Members have been damaged, in an amount  
2 to be proven at trial, through their overpayment at the time of purchase for the  
3 Defective Cranksets or Class Bicycles equipped with Defective Cranksets with an  
4 undisclosed safety defect that would not be remedied.

5 **B. COUNT XV: BREACH OF IMPLIED WARRANTY OF**  
6 **MERCHANTABILITY (FLA. STAT. § 672.314)**

7 (Against Shimano, Trek, and Giant)

8 444.461. Plaintiffs reallege and incorporate by reference each of the  
9 allegations in Paragraphs 1-1589, above, as though fully set forth herein.

10 445.462. Plaintiffs Bongiovanni, Scorsolini, and Tirado brings this count  
11 under Florida law, individually and on behalf of the other members of the Florida  
12 Subclass against Shimano and Giant for their respective Class Bicycles and Defective  
13 Cranksets. For the remaining Defendants, Plaintiffs who purchased their Class  
14 Bicycles or Defective Cranksets in states with materially similar laws may represent  
15 Subclasses under this count against all other Defendants.

16 446.463. For purposes of this count, Plaintiffs Bongiovanni, Scorsolini, and  
17 Tirado be referred to as “Plaintiffs,” and members of the Florida Subclass shall be  
18 referred to as “Class Members.” For purposes of this count, Shimano and Giant shall  
19 be referred to as “Defendants.”

20 447.464. The Defective Cranksets and the Class Bicycles are “goods” under  
21 Fla. Stat. §672.105(1).

22 448.465. Defendants are “merchants” and “sellers” of the Defective  
23 Cranksets and Class Bicycles under Fla. Stat. Code §§ 672.104(1), and 672.103(1)(d),  
24 respectively.

25 449.466. Plaintiffs and Class Members who purchased the Defective  
26 Cranksets and Class Bicycles in Florida are “buyers” under Fla. Stat. § 672.103(1)(a).

1 ~~450.467.~~ Florida law conferred an implied warranty that the Defective  
2 Cranksets and Class Bicycles were in merchantable condition and fit for the ordinary  
3 purpose for which they were to be used pursuant to Fla. Stat. § 672.314.

4 ~~451.468.~~ The Defective Cranksets and Class Bicycles are not merchantable  
5 and, as such, Defendants breached their implied warranties, because at the time of  
6 sale and all times thereafter:

- 7 a. The Class Bicycles and Defective Cranksets suffer from a safety defect  
8 that renders them unsafe to ride and/or operate;
- 9 b. The Defective Cranksets and the Class Bicycles would not pass without  
10 objection in the bicycle trade given the Crankset Defect;
- 11 c. The Crankset Defect renders the Defective Cranksets and Class Bicycles  
12 unsafe to ride and unfit for ordinary purposes; and
- 13 d. The Crankset Defect affects the central functionality of the Class  
14 Bicycles and Defective Cranksets.

15 ~~452.469.~~ Due to the Crankset Defect, Plaintiffs and Class Members cannot  
16 operate their Class Bicycles and Defective Cranksets as intended, substantially free  
17 from defects. The Class Bicycles and Defective Cranksets do not provide a safe and  
18 reliable way to propel a bicycle forward and pose a serious risk of injury, including  
19 crashing, bone fracture, laceration, and death. As a result, Plaintiffs and Class  
20 Members cannot use their Class Bicycles and Defective Cranksets for the purposes  
21 for which they purchased them.

22 ~~453.470.~~ Plaintiffs and Class Members timely provided Defendants notice  
23 of the issues raised in this count and this Complaint and an opportunity to cure, as  
24 alleged in the paragraphs addressing Defendants' notice, above.

25 ~~454.471.~~ Alternatively, Plaintiffs and Class Members were excused from  
26 providing Defendants with notice and an opportunity to cure the breach, because it  
27 would have been futile. As alleged above, Defendants knew about the Crankset Defect  
28

1 for years. Moreover, although Defendants issued a recall, that recall is inadequate  
2 because, *inter alia*: (a) it is belated because Defendants knew about the Defective  
3 Cranksets, including the Defective Cranksets installed in Class Bicycles, for years and  
4 did nothing to recall or remedy the serious safety defect; (b) with hundreds of  
5 thousands of Class Bicycles and Defective Cranksets impacted in existing and  
6 potential future recalls, as a result of Defendants' misrepresentations about and  
7 omission/concealment of the Crankset Defect, the recalls cannot be implemented  
8 effectively due to supply constraints and resulting delays; and (c) the recalls are  
9 incomplete, and apply to only a subset of the Class Bicycles and Defective Cranksets.

10 ~~455.472.~~ 472. Plaintiffs and Class Members have had sufficient direct dealings  
11 with Defendants or their agents (retailers) to establish privity of contract between  
12 Plaintiffs and Class Members. Notwithstanding this, privity is not required in this  
13 case because Plaintiffs and Class Members are intended third-party beneficiaries of  
14 contracts between Defendants and their agents; specifically, they are the intended  
15 beneficiaries of Defendants' implied warranties. The retailers were not intended to  
16 be the ultimate consumers of the Class Bicycles or Defective Cranksets and have no  
17 rights under the warranty agreements provided with the Class Bicycles; the warranty  
18 agreements were designed for and intended to benefit the ultimate consumers only.  
19 Finally, privity is also not required because Plaintiffs' and Class Members' Class  
20 Bicycles and Defective Cranksets are dangerous instrumentalities due to the  
21 aforementioned defects and nonconformities.

22 ~~456.473.~~ 473. Plaintiffs, individually and on behalf Class Members, seeks all  
23 available monetary damages (including actual, compensatory, and punitive  
24 damages), injunctive and equitable relief, and attorneys' fees and costs.

25 **C. COUNT XVI: VIOLATIONS OF THE FLORIDA DECEPTIVE &**  
26 **UNFAIR TRADE PRACTICES ACT (FLA. STAT. §§ 501.201, ET SEQ.)**

27 (Against Shimano, Trek, Giant)

1 ~~457.474.~~ Plaintiffs reallege and incorporate by reference each of the  
2 allegations in Paragraphs 1-15~~89~~, above, as though fully set forth herein.

3 ~~458.475.~~ Plaintiffs Bongiovanni, Scorsolini, and Tirado brings this count  
4 under Florida law, individually and on behalf of the other members of the Florida  
5 Subclass against Shimano and Giant for their respective Class Bicycles and Defective  
6 Cranksets. For the remaining Defendants, Plaintiffs who purchased their Class  
7 Bicycles or Defective Cranksets in states with materially similar laws may represent  
8 Subclasses under this count against all other Defendants.

9 ~~459.476.~~ For purposes of this count, Plaintiffs Bongiovanni, Scorsolini, and  
10 Tirado shall be referred to as “Plaintiffs,” and members of the Florida Subclass shall  
11 be referred to as “Class Members.” For purposes of this count, Shimano and Giant  
12 shall be referred to as “Defendants.”

13 ~~460.477.~~ Plaintiffs and Class Members are “consumers” under Fla. Stat.  
14 §501.203(7) because they purchased the Defective Cranksets and/or Class Bicycles  
15 primarily for personal, family, or household use.

16 ~~461.478.~~ Defendants were and are engaged in “trade or commerce” under  
17 the meaning of Fla. Stat. § 501.203(8).

18 ~~462.479.~~ The Florida Unfair and Deceptive Trade Practices Act (“Florida  
19 UDTPA”) prohibits “[u]nfair methods of competition, unconscionable acts or  
20 practices, and unfair or deceptive acts or practices in the conduct of any trade or  
21 commerce.” Fla. Stat. § 501.204(1).

22 ~~463.480.~~ Defendants’ violations of the Florida UDTPA occurred repeatedly  
23 in their trade or practice – including the design, manufacture, distribution, marketing,  
24 and sale of the Defective Cranksets and the Class Bicycles.

25 ~~464.481.~~ Defendants, through their agents, employees, and/or subsidiaries,  
26 violated the Florida UDTPA by knowingly and intentionally misrepresenting,  
27 omitting, concealing, and/or failing to disclose material facts regarding the reliability,  
28

1 safety, and performance of the Class Bicycles and the Defective Cranksets, as detailed  
2 above.

3 465.482. As set forth herein, Defendants engaged in deceptive acts by  
4 knowingly misrepresenting and concealing or omitting from Plaintiffs and Class  
5 Members that the Class Bicycles and Defective Cranksets suffer from the Crankset  
6 Defect (and the costs, risks, and diminished value of the Class Bicycles and Defective  
7 Cranksets as a result). Defendants knew that the Class Bicycles and Defective  
8 Cranksets were defectively designed, posed an unreasonable safety risk, and  
9 unsuitable for their intended use.

10 466.483. Defendants had an ongoing duty to Plaintiffs and Class Members  
11 to refrain from unfair or deceptive practices under the Florida UDTPA in the course  
12 of their business. Specifically, Defendants owed Plaintiffs and Class Members a duty  
13 to disclose all the material facts concerning the Defective Cranksets and the Defective  
14 Cranksets in the Class Bicycles because:

- 15 a. Given the Defendants' role in the design, manufacture, testing, and sale  
16 of the Class Bicycles and Defective Cranksets, and their experience and  
17 knowledge as experts and long-time veterans of the bicycle industry,  
18 they possessed exclusive access to and were in a superior position to  
19 know the true facts about the Class Bicycles and Defective Cranksets;
- 20 b. Given Shimano's design, development, testing and manufacture of the  
21 Defective Cranksets and its experience and knowledge as an expert and  
22 long-time veteran of the bicycle industry, it, along with the Bicycle  
23 Manufacturer Defendants, possessed exclusive access to and was in a  
24 superior position to know the true facts about the Defective Cranksets;
- 25 c. Defendants knew that the Class Bicycles and Defective Cranksets gave  
26 rise to serious safety concerns for the consumers who purchased the  
27 Class Bicycles and Defective Cranksets;



- 1 d. Given the Crankset Defect's hidden and technical nature, Plaintiffs and  
2 Class Members lacked the sophisticated expertise in bicycle and  
3 crankset components and design and technology necessary to discover  
4 that the Class Bicycles and Defective Cranksets were defective;
- 5 e. Plaintiffs and the Class Members could not reasonably have been  
6 expected to learn or discover that the Class Bicycles and Defective  
7 Cranksets had a safety defect before purchase;
- 8 f. Defendants knew that Plaintiffs and Class Members could not  
9 reasonably have been expected to learn or discover the defect and the  
10 associated repair or replacement costs;
- 11 g. Defendants knew that the Class Bicycles and Defective Cranksets, and  
12 the defect therein, gave rise to serious safety concerns for consumers  
13 who purchased them;
- 14 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm  
15 in that, among other things, the Defective Cranksets can break during  
16 normal use and riding, causing loss of balance and accidents that can lead  
17 to severe and potentially fatal injuries;
- 18 i. Defendants knew about and investigated the Crankset Defect, but then  
19 did not notify consumers about it, disclose the Crankset Defect to CPSC,  
20 or further launch a comprehensive recall for all Class Bicycles and  
21 Defective Cranksets, which individually and together deprived Plaintiffs  
22 of an opportunity that otherwise could have led them to discover the truth  
23 about the Crankset Defect in their Class Bicycles and Defective  
24 Cranksets;
- 25 j. Defendants actively concealed the defect and the associated repair and  
26 replacement costs by responding to negative reviews and inquiries  
27 without disclosing the defect, asserting that the Class Bicycles and  
28

1 Defective Cranksets were not defective, asserting that non-design factors  
2 caused problems with the Defective Cranksets, and replacing defectively  
3 designed Class Bicycles and Defective Cranksets with identical  
4 defectively designed Class Bicycles and Defective Cranksets; and

- 5 k. Defendants made, helped to make, or conspired to make partial and  
6 incomplete representations about strength, safety, quality, durability,  
7 dependability and reliability of the Class Bicycles and Defective  
8 Cranksets, while purposefully withholding material facts about a known  
9 safety defect. Because they volunteered to provide information about the  
10 Class Bicycles and Defective Cranksets that they marketed and offered  
11 for sale to consumers, Defendants had the duty to disclose the whole  
12 truth.

13 ~~467.484.~~ 484. By misrepresenting the Class Bicycles and Defective Cranksets as  
14 strong, high-quality, safe, dependable, durable, reliable, properly-functioning and free  
15 from defects, and/or by failing to disclose and actively concealing the dangers and  
16 risk posed by the Crankset Defect to consumers and CPSC, Defendants engaged in  
17 unfair methods of competition and unfair or deceptive acts or practices in the conduct  
18 of trade or commerce, as prohibited by Fla. Stat. § 501.204(1).

19 ~~468.485.~~ 485. Defendants' unfair or deceptive acts or practices, including their  
20 misrepresentations, concealments, omissions, and/or suppressions of material facts,  
21 were designed to mislead and had a tendency or capacity to mislead and create a false  
22 impression in consumers that the Class Bicycles and Defective Cranksets were strong,  
23 safe, dependable, durable and reliable, and had properly-functioning cranksets that  
24 would properly function and be reliable. Defendants' misrepresentations,  
25 concealments, omissions, and suppressions of material facts did, in fact, deceive  
26 reasonable consumers, including Plaintiffs and Class Members, about the true safety,  
27  
28

1 strength, dependability, durability, and reliability of the Class Bicycles and Defective  
2 Cranksets

3 ~~469.486.~~ Defendants intended for Plaintiffs and Class Members to rely on  
4 their misrepresentations, omissions, and concealment – which they did by purchasing  
5 the Defective Cranksets and Class Bicycles at the prices they paid believing that their  
6 Defective Cranksets and Class Bicycles would not have a Crankset Defect that would  
7 affect the strength, quality, durability, dependability, reliability, and safety of the  
8 Class Bicycles and the Defective Cranksets.

9 ~~470.487.~~ Defendants’ misrepresentations, concealments, omissions, and  
10 suppressions of material facts regarding the Crankset Defect and true characteristics  
11 of the Defective Cranksets and Class Bicycles were material to the decisions of  
12 Plaintiffs and Class Members to purchase those cranksets and bicycles, as Defendants  
13 intended. Plaintiffs and Class Members were exposed to those misrepresentations,  
14 concealments, omissions, and suppressions of material facts, and relied on  
15 Defendants’ misrepresentations that the Class Bicycles and their Defective Cranksets  
16 were safe and reliable in deciding to purchase the Class Bicycles and Defective  
17 Cranksets.

18 ~~471.488.~~ Plaintiffs’ and Class Members’ reliance was reasonable, as they  
19 had no way of discerning that Defendants’ representations were false and misleading,  
20 or otherwise learning the facts that Defendants had concealed or failed to disclose.  
21 Plaintiffs and Class Members did not, and could not, unravel Defendants’ deception  
22 on their own.

23 ~~472.489.~~ A reasonable consumer would have considered them important in  
24 deciding whether to purchase Defendants’ Class Bicycles and Defective Cranksets or  
25 pay a lesser price. Had they known the truth about the Crankset Defect, Plaintiffs and  
26 the Class members would not have purchased the Defective Cranksets and/or Class  
27 Bicycles, or would have paid significantly less for them.

1 ~~473.490.~~ Defendants could have and should have prominently disclosed  
2 the defect on the product listings on its website, on product packaging, and to third-  
3 party retailers. Had Defendants disclosed the Crankset Defect in this manner,  
4 Plaintiffs, Class Members and reasonable consumers would have been aware of it.

5 ~~474.491.~~ Defendants profited from selling the falsely, deceptively, and  
6 unlawfully advertised Class Bicycles and Defective Cranksets to unwary purchasers.

7 ~~475.492.~~ As a direct and proximate result of Defendants' deceptive  
8 practices, Plaintiffs and Class Members have sustained economic injury and loss –  
9 either by purchasing a crankset or bicycle they otherwise would not have purchased  
10 or paying more than they otherwise would have as a result of Defendants' actions and  
11 omissions alleged above – that first occurred at the time each Defective Crankset  
12 and/or Class Bicycle was purchased.

13 ~~476.493.~~ Defendants' violations present a continuing risk to Plaintiffs and  
14 Class Members, as well as to the general public, because the Class Bicycles and  
15 Defective Cranksets remain unsafe due to the Crankset Defect therein. Defendants'  
16 unlawful acts and practices complained of herein affect the public interest.

17 ~~477.494.~~ Pursuant to Fla. Stat. § 501.211, Plaintiffs and Class Members  
18 seek an order enjoining the above unfair or deceptive acts or practices and awarding  
19 actual damages, treble damages, restitution, attorneys' fees, and any other just and  
20 proper relief available under the Florida UDTPA against all Defendants.

21 **D. COUNT XVII: FRAUD**

22 (Against Shimano, Trek, and Giant)

23 ~~478.495.~~ Plaintiffs reallege and incorporate by reference each of the  
24 allegations in Paragraphs 1-15~~89~~, above, as though fully set forth herein.

25 ~~479.496.~~ Plaintiffs Bongiovanni, Scorsolini, and Tirado brings this count  
26 under Florida law, under both the misrepresentation and omission/concealment  
27 theories, under Florida law, individually and on behalf of the Florida Subclass against  
28

Shimano and Giant for their respective Class Bicycles and Defective Cranksets. For the remaining Defendants, Plaintiffs who purchased their Class Bicycles or Defective Cranksets in states with materially similar laws may represent Subclasses under this count against all other Defendants.

~~480.497.~~ For purposes of this count, Plaintiffs Bongiovanni, Scorsolini, and Tirado shall be referred to as “Plaintiffs,” and members of the Florida Subclass shall be referred to as “Class Members.” For purposes of this count, Shimano and Giant shall be referred to as “Defendants.”

**1. Affirmative Misrepresentation**

~~481.498.~~ Defendants represented and marketed the Class Bicycles and Defective Cranksets as strong, of high-quality, durable, dependable, and reliable. These representations are understood by consumers to mean that the Class Bicycles and Defective Cranksets are “safe” for ordinary use.

~~482.499.~~ The strength, quality, durability, dependability and reliability of the Defective Cranksets and the Class Bicycles in which the Defective Cranksets were installed were material facts because a reasonable person would find it important in purchasing or retaining a new or used bicycle and because it directly impacts the value of the Class Bicycles and Defective Cranksets purchased by Plaintiffs and Class Members.

~~483.500.~~ Defendants’ representations regarding the Defective Cranksets and Class Bicycles’ strength, quality, durability, dependability and reliability—all terms that signal “safety” in the cycling community—were false because the Class Bicycles and Defective Cranksets contain the Crankset Defect that causes the cranksets to break during normal use. In doing so, the presence of the Crankset Defect makes the Defective Cranksets and Class Bicycles unsafe for normal use.

~~484.501.~~ Defendants knew that their representations were false and intended Plaintiffs and Class Members to rely on them. —which they did by

1 purchasing the Class Bicycles and Defective Cranksets at the prices they paid  
2 believing that they would not have a Crankset Defect that would affect the quality,  
3 reliability, durability, strength and safety of the Class Bicycles and Defective  
4 Cranksets.

5 ~~485.502.~~ 502. Plaintiffs' and Class Members' reliance was reasonable because a  
6 reasonable consumer would not have expected that the Class Bicycles and Defective  
7 Cranksets contained a safety defect that poses such a serious risk. They had no way  
8 of learning the facts that Defendants had concealed or failed to disclose. Plaintiffs and  
9 Class Members did not, and could not, unravel Defendants' deception on their own.

10 ~~486.503.~~ 503. Had Plaintiffs and Class Members known of the Crankset Defect  
11 within the Class Bicycles or Defective Cranksets, they would not have purchased the  
12 Class Bicycles or Defective Cranksets or would have paid less for them.

13 ~~487.504.~~ 504. As a direct and proximate result of Defendants' omissions and  
14 concealment, Plaintiffs and other Class Members either overpaid for the Class  
15 Bicycles or Defective Cranksets, or would not have purchased the Class Bicycles or  
16 Defective Cranksets at all if the Crankset Defect had been disclosed to them.  
17 Accordingly, Defendants are liable to Plaintiffs and Class Members for their damages  
18 in an amount to be proven at trial.

19 ~~488.505.~~ 505. Defendants acted maliciously, oppressively, deliberately, with  
20 intent to defraud; in reckless disregard of the Plaintiffs' and Class Members' rights  
21 and well-being; and to enrich themselves. Defendants' misconduct warrants an  
22 assessment of punitive damages, as permitted by law, in an amount sufficient to deter  
23 such conduct in the future, which amount shall be determined according to proof at  
24 trial.

## 25 **2. Omission/Concealment**

26 ~~489.506.~~ 506. Defendants are liable for fraud by omission, concealment, and/or  
27 non-disclosure. *See, e.g.,* Restatement (Second) of Torts §§ 550-51 (1977).  
28

1 ~~490.~~507. Defendants owed Plaintiffs and Class Members a duty to disclose  
2 all the material facts concerning the Defective Cranksets in the Class Bicycles and  
3 Defective Cranksets because:

- 4 a. Given the Defendants' role in the design, manufacture, pre-sale testing,  
5 sale, and post-sale monitoring of the Class Bicycles and Defective  
6 Cranksets, and their experience and knowledge as experts and long-time  
7 veterans of the bicycle industry, they possessed exclusive access to and  
8 were in a superior position to know the true facts about the Class  
9 Bicycles and Defective Cranksets;
- 10 b. Given Shimano's design, development, testing and manufacture of the  
11 Defective Cranksets and its experience and knowledge as an expert and  
12 long-time veteran of the bicycle industry, it, along with the Bicycle  
13 Manufacturer Defendants, possessed exclusive access to and was in a  
14 superior position to know the true facts about the Defective Cranksets,  
15 including their component parts, design, adhesive properties, and other  
16 information not known to Plaintiffs or Class Members;
- 17 c. Defendants knew that the Class Bicycles and Defective Cranksets gave  
18 rise to serious safety concerns for the consumers who purchased the  
19 Class Bicycles and Defective Cranksets;
- 20 d. Given the Crankset Defect's hidden, proprietary, and technical nature,  
21 Plaintiffs and Class Members lacked the sophisticated expertise in  
22 bicycle and crankset components and design and technology necessary  
23 to discover that the Class Bicycles and Defective Cranksets were  
24 defective;
- 25 e. Plaintiffs and the Class Members could not reasonably have been  
26 expected to learn or discover that the Class Bicycles and Defective  
27 Cranksets had a safety defect before purchase;
- 28



- 1 f. Defendants knew that Plaintiffs and Class Members could not reasonably  
2 have been expected to learn or discover the defect and the associated  
3 repair or replacement costs;
- 4 g. Defendants knew that the Class Bicycles and Defective Cranksets, and  
5 the defect therein, gave rise to serious safety concerns for consumers  
6 who purchased them;
- 7 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm  
8 in that, among other things, the Defective Cranksets can break during  
9 normal use and riding, causing loss of balance and accidents that can lead  
10 to severe and potentially fatal injuries;
- 11 i. Defendants knew about and investigated the Crankset Defect, but then  
12 did not notify consumers about it, disclose the Crankset Defect to CPSC,  
13 or further launch a comprehensive recall for all Class Bicycles and  
14 Defective Cranksets, which individually and together deprived Plaintiffs  
15 of an opportunity that otherwise could have led them to discover the truth  
16 about the Crankset Defect in their Class Bicycles and Defective  
17 Cranksets;
- 18 j. Defendants actively concealed the defect and the associated repair and  
19 replacement costs by responding to negative reviews and inquiries  
20 without disclosing the defect, asserting that the Class Bicycles and  
21 Defective Cranksets were not defective, asserting that non-design factors  
22 caused problems with the Defective Cranksets, and replacing defectively  
23 designed Class Bicycles and Defective Cranksets with identical  
24 defectively designed Class Bicycles and Defective Cranksets; and
- 25 k. Defendants made, helped to make, or conspired to make partial and  
26 incomplete representations about strength, safety, quality, durability,  
27 dependability and reliability of the Class Bicycles and Defective  
28

1 Cranksets, while purposefully withholding material facts about a known  
2 safety defect. Because they volunteered to provide information about the  
3 Class Bicycles and Defective Cranksets that they marketed and offered  
4 for sale to consumers, Defendants had the duty to disclose the whole  
5 truth.

6 ~~491.508.~~ 492.509. In breach of their duties, Defendants failed to disclose the  
7 Crankset Defect and that the Class Bicycles and Defective Cranksets were not strong,  
8 safety, high-quality, durable, or free of defects to Plaintiffs and Class Members in  
9 connection with the sale of the Class Bicycles and Defective Cranksets.

10 ~~492.509.~~ 493.510. The Crankset Defect within the Class Bicycles and Defective  
11 Cranksets is material to the sale of the of the Class Bicycles and Defective Cranksets  
12 because a reasonable person would find it important in purchasing or retaining a new  
13 or used bicycle and because it directly impacts the value of the Class Bicycles and  
14 Defective Cranksets purchased by Plaintiffs and Class Members.

15 ~~493.510.~~ 494.511. Defendants intended for Plaintiffs and Class Members to rely on  
16 their omissions and concealment—which they did by purchasing the Class Bicycles  
17 and Defective Cranksets at the prices they paid believing that they would not have a  
18 Crankset Defect that would affect the quality, reliability, durability, strength and  
19 safety of the Class Bicycles and Defective Cranksets.

20 ~~494.511.~~ 495.512. Plaintiffs' and Class Members' reliance was reasonable because a  
21 reasonable consumer would not have expected that the Class Bicycles and Defective  
22 Cranksets contained a safety defect that poses such a serious risk. They had no way  
23 of learning the facts that Defendants had concealed or failed to disclose. Plaintiffs and  
24 Class Members did not, and could not, unravel Defendants' deception on their own.

25 ~~495.512.~~ Defendants actively concealed and suppressed these material  
26 facts, in whole or in part, to maintain a market for the Class Bicycles and Defective  
27 Cranksets installed in them, and the Defective Cranksets themselves, to protect  
28

1 profits, and to avoid costly recalls that would expose them to liability for those  
2 expenses and harm the commercial reputations of Defendants and their products.  
3 They did so at the expense of Plaintiffs and Class Members.

4 ~~496.~~513. If Defendants had fully and adequately disclosed the Crankset  
5 Defect to consumers, Plaintiffs and Class Members would have seen such a  
6 disclosure.

7 ~~497.~~514. Through their omissions and concealment with respect to the  
8 Crankset Defect within the Class Bicycles and Defective Cranksets, Defendants  
9 intended to induce, and did induce, Plaintiffs and Class Members to either purchase a  
10 Class Bicycle or a Defective Crankset that they otherwise would not have purchased,  
11 or pay more for than they otherwise would have paid for a Class Bicycle or Defective  
12 Crankset.

13 ~~498.~~515. Had Plaintiffs and Class Members known of the Crankset Defect  
14 within the Class Bicycles or Defective Cranksets, they would not have purchased the  
15 Class Bicycles or Defective Cranksets or would have paid less for them.

16 ~~499.~~516. As a direct and proximate result of Defendants' omissions and  
17 concealment, Plaintiffs and other Class Members either overpaid for the Class  
18 Bicycles or Defective Cranksets, or would not have purchased the Class Bicycles or  
19 Defective Cranksets at all if the Crankset Defect had been disclosed to them.  
20 Accordingly, Defendants are liable to Plaintiffs and Class Members for their damages  
21 in an amount to be proven at trial.

22 ~~500.~~517. Defendants acted maliciously, oppressively, deliberately, with  
23 intent to defraud; in reckless disregard of the Plaintiffs' and Class Members' rights  
24 and well-being; and to enrich themselves. Defendants' misconduct warrants an  
25 assessment of punitive damages, as permitted by law, in an amount sufficient to deter  
26 such conduct in the future, which amount shall be determined according to proof at  
27 trial.  
28

**E. COUNT XVIII: UNJUST ENRICHMENT**

(Against Shimano, Trek, and Giant)

~~501.518.~~ 518. Plaintiffs reallege and incorporate by reference each of the allegations in Paragraphs 1-15~~8~~<sup>9</sup>, above, as though fully set forth herein.

~~502.519.~~ 519. Plaintiffs Bongiovanni, Scorsolini, and Tirado brings this count under Florida law, individually and on behalf of the other members of the Florida Subclass against Shimano and Giant for their respective Class Bicycles and Defective Cranksets. For the remaining Defendants, Plaintiffs who purchased their Class Bicycles or Defective Cranksets in states with materially similar laws may represent Subclasses under this count against all other Defendants.

~~503.520.~~ 520. For purposes of this count, Plaintiffs Bongiovanni, Scorsolini, and Tirado shall be referred to as “Plaintiffs,” and members of the Florida Subclass shall be referred to as “Class Members.” For purposes of this count, Shimano and Giant shall be referred to as “Defendants.”

~~504.521.~~ 521. When they purchased the Class Bicycles or Defective Cranksets, Plaintiffs and Class Member conferred a tangible and material economic benefits on Defendants. Defendants readily accepted and retained the benefits.

~~505.522.~~ 522. Plaintiffs and Class Members would not have purchased the Defective Cranksets or Class Bicycles, or would have paid less for them, had they known of the Crankset Defect at the time of purchase. Therefore, Defendants profited from the sale of the Defective Cranksets and Class Bicycles to the detriment and expense of Plaintiffs and Class Members.

~~506.523.~~ 523. Defendants knew or should have known that the payments rendered by Plaintiffs and Class Members were given with the expectation that the Class Bicycles and Defective Cranksets would have the qualities, characteristics, and suitability for use represented and warranted by Defendants. Defendants appreciated the economic benefits. The benefits were the expected result of Defendants acting in

1 their own pecuniary interest at the expense of Plaintiffs and Class members.  
2 Defendants knew of the benefits they were receiving because they were aware of the  
3 Crankset Defect in the Class Bicycles and Defective Cranksets, yet they failed to  
4 disclose this knowledge and misled Plaintiffs and Class Members regarding the nature  
5 and quality of the Class Bicycles and Defective Cranksets while profiting from their  
6 deception. As such, it would be unjust, inequitable, and unconscionable for  
7 Defendants to retain the benefit of the payments under these circumstances.

8 ~~507.~~524. By their wrongful acts and omissions described herein, including  
9 selling the Class Bicycles and Defective Cranksets which contain the Crankset Defect,  
10 Defendants were unjustly enriched at the expense of Plaintiffs and Class Members.

11 ~~508.~~525. Plaintiffs' and Class Members' detriment and Defendants'  
12 enrichment were related to and flowed from the wrongful conduct challenged in this  
13 Complaint.

14 ~~509.~~526. Defendants have profited from their unlawful, unfair, misleading,  
15 and deceptive practices at the expense of Plaintiffs and Class Members. It would be  
16 unjust, inequitable and unconscionable for Defendants to retain the profits, benefits,  
17 and other compensation obtained from their wrongful conduct alleged herein.

18 ~~510.~~527. Defendants have been unjustly enriched in retaining the revenues  
19 derived from Plaintiffs' and Class Members' purchases of Class Bicycles and  
20 Defective Cranksets, which retention of such revenues under these circumstances is  
21 unjust and inequitable because Defendants manufactured the Class Bicycles and  
22 Defective Cranksets, and Defendants affirmatively misrepresented and omitted and/or  
23 concealed the nature of the Class Bicycles and Defective Cranksets, and knowingly  
24 marketed and promoted dangerous and Class Bicycles and Defective Cranksets,  
25 which injured Plaintiffs and Class Members because they would not have purchased  
26 the Class Bicycles and Defective Cranksets based on the exact representations if the  
27 true facts concerning the Class Bicycles and Defective Cranksets had been known.  
28

1 ~~541.528.~~ 528. Plaintiffs and putative Class Members are entitled to restitution  
2 and to recover from Defendants all amounts wrongfully collected and improperly  
3 retained by Defendants in the amount necessary to return Plaintiffs and Class  
4 Members to the position they occupied prior to dealing with Defendants, with such  
5 amounts to be determined at trial.

6 ~~542.529.~~ 529. As a direct and proximate result of Defendants' wrongful conduct  
7 and unjust enrichment, Plaintiffs and putative Class Members are entitled to  
8 restitution of, disgorgement of, and/or imposition of a constructive trust upon all  
9 profits, benefits, and other compensation obtained by Defendants for their inequitable  
10 and unlawful conduct.

11 ~~543.530.~~ 530. Plaintiffs plead this claim separately as well as in the alternative  
12 to claims for damages under Fed. R. Civ. P. 8(a)(3), because if the Court dismisses  
13 Plaintiffs' claims for damages or enters judgment on them in favor of the Defendants,  
14 Plaintiff will have no adequate legal remedy.

15 **CLAIMS ASSERTED ON BEHALF OF ILLINOIS STATE SUBCLASS**

16 A. **COUNT XIX: BREACH OF EXPRESS WARRANTY (810 ILL. COMP.**  
17 **STAT. 5/2-313)**

18 (Against Shimano)

19 ~~544.531.~~ 531. Plaintiffs reallege and incorporate by reference each of the  
20 allegations in Paragraphs 1-15~~8~~9, above, as though fully set forth herein.

21 ~~545.532.~~ 532. Plaintiffs Lewis ~~and~~ and, Semizarov, ~~and Sielski~~ brings this count  
22 under Illinois law, individually and on behalf of the other members of the Illinois  
23 Subclass against Shimano for the Defective Cranksets.

24 ~~546.533.~~ 533. For purposes of this count, Plaintiffs Lewis ~~and~~ and, Semizarov, ~~and~~  
25 ~~Sielski~~ shall be referred to as "Plaintiffs," and members of the Illinois Subclass shall  
26 be referred to as "Class Members." For purposes of this count, Shimano shall be  
27 referred to as "Defendant."  
28

1 ~~517.~~534. Shimano is and was at all relevant times a “merchant” with respect  
2 to the Defective Cranksets under 810 Ill. Comp. Stat. 5/2-104(1), and a “seller” of the  
3 Defective Cranksets under 5/2-103(1)(d).

4 ~~518.~~535. All Class Members who purchased Defective Cranksets and Class  
5 Bicycles in Illinois are “buyers” within the meaning of 810 Ill. Comp. Stat. 5/2-  
6 103(1)(a).

7 ~~519.~~536. The Defective Cranksets and Class Bicycles are and were at all  
8 relevant times “goods” within the meaning of 810 Ill. Comp. Stat. 5/2-105(1).

9 ~~520.~~537. Defendant issued an express written warranty for each Defective  
10 Crankset they sold (including Defective Cranksets equipped in Class Bicycles),  
11 including that:

- 12 a. The Defective Cranksets would be “free of defects in materials and  
13 workmanship” at the time of sale;<sup>42</sup> and  
14 b. The Defective Cranksets were strong, high quality, safe, durable,  
15 dependable, and reliable, and their cranksets would function properly  
16 during the operation of the bicycles.

17 ~~521.~~538. The warranties listed above formed the basis of the bargain with  
18 regard to Plaintiffs’ and Class Members’ purchase of the Defective Cranksets or Class  
19 Bicycles equipped with Defective Cranksets.

20 ~~522.~~539. Defendant knowingly breached its warranty for the Defective  
21 Cranksets or Class Bicycles equipped with Defective Cranksets because:

- 22 a. The Defective Cranksets or Class Bicycles equipped with Defective  
23 Cranksets have latent defects which have a dangerous propensity to  
24 cause the bonded crank parts to separate and break, subjecting Plaintiffs  
25 and Class Members to the risk of loss and injury; and  
26

27 <sup>42</sup> Shimano Warranty Policy, [https://ride.shimano.com/pages/shimano-warranty-](https://ride.shimano.com/pages/shimano-warranty-policy)  
28 [policy](https://ride.shimano.com/pages/shimano-warranty-policy), last accessed on December 29, 2023.



1 b. Defendant denied, concealed, and misrepresented (affirmatively and by  
2 omission) the Crankset Defect, in the process of refusing to pay for or  
3 provide, in a reasonably timely fashion, the needed repairs and  
4 replacements for Plaintiffs and Class Members.

5 ~~523.~~540. Defendant knew or should have known that the warranties were  
6 false and/or misleading. Specifically, Defendant was aware of the Crankset Defect,  
7 which made the Defective Cranksets or Class Bicycles equipped with Defective  
8 Cranksets inherently defective and dangerous at the time that they were sold to  
9 Plaintiffs and Class Members.

10 ~~524.~~541. Plaintiffs and Class Members were exposed to Defendant's  
11 misrepresentations and omissions/concealment, and they had no way of discerning  
12 that Defendant's representations and omissions/concealment were false and  
13 misleading or otherwise learning the material facts that Defendants had concealed or  
14 failed to disclose. Accordingly, Plaintiffs and Class Members reasonably relied on  
15 Defendant's express warranties when purchasing the Defective Cranksets or Class  
16 Bicycles equipped with Defective Cranksets.

17 ~~525.~~542. Plaintiffs and Class Members timely provided the Defendant  
18 notice of the issues raised in this count and this Complaint and an opportunity to cure,  
19 as alleged in the paragraphs addressing Defendant's notice, above.

20 ~~526.~~543. Alternatively, Plaintiffs and Class Members were excused from  
21 providing Defendant with notice and an opportunity to cure the breach, because it  
22 would have been futile. As alleged above, Defendant knew about the Crankset Defect  
23 for years. Moreover, although Defendant issued a recall, that recall is inadequate  
24 because, inter alia: (a) it is belated because Defendant knew about the Defective  
25 Cranksets, including Defective Cranksets included in Class Bicycles, for years and  
26 did nothing to recall or remedy the serious safety defect; (b) with hundreds of  
27 thousands of Class Bicycles and Defective Cranksets impacted in existing and  
28

1 potential future recalls, as a result of Defendant's misrepresentations about and  
2 omission/concealment of the Crankset Defect, the recalls cannot be implemented  
3 effectively due to supply constraints and resulting delays; and (c) the recalls are  
4 incomplete, and apply to only a subset of the Defective Cranksets or Class Bicycles  
5 equipped with Defective Cranksets.

6 ~~527.544.~~ 544. Privity of contract is not required here because Plaintiffs and Class  
7 Members were each intended third-party beneficiaries of the Defective Cranksets or  
8 Class Bicycles equipped with Defective Cranksets sold through independent retailers.  
9 The retailers were not intended to be the ultimate consumers of the Defective  
10 Cranksets or Class Bicycles equipped with Defective Cranksets and have no rights  
11 under the warranty provided with the Defective Cranksets or Class Bicycles equipped  
12 with Defective Cranksets.

13 ~~528.545.~~ 545. Alternatively, privity of contract is satisfied because Plaintiffs and  
14 Class Members purchased the Defective Cranksets or Class Bicycles equipped with  
15 Defective Cranksets from retailers who were the exclusive retail sellers of  
16 Defendant's products and/or acted as agents of the Defendants.

17 ~~529.546.~~ 546. Plaintiffs and Class Members did not receive or otherwise have  
18 the opportunity to review, at or before the time of sale, any purported warranty  
19 exclusions and limitations of remedies. Accordingly, any such exclusions and  
20 limitations of remedies are unconscionable and unenforceable.

21 ~~530.547.~~ 547. As a direct and proximate result of Defendant's breach of their  
22 express warranties, the Defective Cranksets or Class Bicycles equipped with  
23 Defective Cranksets were and are defective and the Crankset Defect was not  
24 remedied. Therefore, Plaintiffs and Class Members have been damaged, in an amount  
25 to be proven at trial, through their overpayment at the time of purchase for the  
26 Defective Cranksets or Class Bicycles equipped with Defective Cranksets with an  
27 undisclosed safety defect that would not be remedied.

**B. COUNT XX: BREACH OF IMPLIED WARRANTY OF  
MERCHANTABILITY (801 ILL. COMP. STAT. 5/2-314)**

(Against Shimano, Specialized, and Giant)

~~531.548.~~ Plaintiffs reallege and incorporate by reference each of the allegations in Paragraphs 1-15~~89~~, above, as though fully set forth herein.

~~532.549.~~ Plaintiffs Lewis and, Semizarov, ~~and Sielski~~ bring this count under Illinois law, individually and on behalf of the other members of the Illinois Subclass against Shimano and Specialized for their respective Class Bicycles and Defective Cranksets. For the remaining Defendants, Plaintiffs who purchased their Class Bicycles or Defective Cranksets in states with materially similar laws may represent Subclasses under this count against all other Defendants.

~~533.550.~~ For purposes of this count, Plaintiffs Lewis and, Semizarov, ~~and Sielski~~ shall be referred to as “Plaintiffs,” and members of the Illinois Subclass shall be referred to as “Class Members.” For purposes of this count, Shimano and Specialized shall be referred to as “Defendants.”

~~534.551.~~ A warranty that the Defective Cranksets and Class Bicycles were in merchantable condition and fit for the ordinary purpose for which such goods are used is implied by law pursuant to 810 Ill. Comp. Stat. 5/2-314.

~~535.552.~~ Defendants are and were at all relevant times “merchants” with respect to bicycles under 810 Ill. Comp. Stat. 5/2-104(1), and a “seller” of bicycles under 5/2-103(1)(d).

~~536.553.~~ All Class Members who purchased Defective Cranksets and/or Class Bicycles in Illinois are “buyers” within the meaning of 810 Ill. Comp. Stat. 5/2-103(1)(a).

~~537.554.~~ The Class Bicycles and Defective Cranksets are and were at all relevant times “goods” within the meaning of 810 Ill. Comp. Stat. 5/2-105(1).

1 ~~538.555.~~ The Defective Cranksets and Class Bicycles are not merchantable  
2 and, as such, Defendants breached their implied warranties, because at the time of  
3 sale and all times thereafter:

- 4 a. The Class Bicycles and Defective Cranksets suffer from a safety defect  
5 that renders them unsafe to ride and/or operate;  
6 b. The Defective Cranksets and the Class Bicycles would not pass without  
7 objection in the bicycle trade given the Crankset Defect;  
8 c. The Crankset Defect renders the Defective Cranksets and Class Bicycles  
9 unsafe to ride and unfit for ordinary purposes; and  
10 d. The Crankset Defect affects the central functionality of the Class  
11 Bicycles and Defective Cranksets.

12 ~~539.556.~~ Due to the Crankset Defect, Plaintiffs and Class Members cannot  
13 operate their Class Bicycles and Defective Cranksets as intended, substantially free  
14 from defects. The Class Bicycles and Defective Cranksets do not provide a safe and  
15 reliable way to propel a bicycle forward and pose a serious risk of injury, including  
16 crashing, bone fracture, laceration, and death. As a result, Plaintiffs and Class  
17 Members cannot use their Class Bicycles and Defective Cranksets for the purposes  
18 for which they purchased them.

19 ~~540.557.~~ Plaintiffs and Class Members timely provided Defendants notice  
20 of the issues raised in this count and this Complaint and an opportunity to cure, as  
21 alleged in the paragraphs addressing Defendants' notice, above.

22 ~~541.558.~~ Alternatively, Plaintiffs and Class Members were excused from  
23 providing Defendants with notice and an opportunity to cure the breach, because it  
24 would have been futile. As alleged above, Defendants knew about the Crankset Defect  
25 for years. Moreover, although Shimano issued a recall, that recall is inadequate  
26 because, inter alia: (a) it is belated because Defendants knew about the Defective  
27 Cranksets, including the Defective Cranksets installed in Class Bicycles, for years and  
28

1 did nothing to recall or remedy the serious safety defect; (b) with hundreds of  
2 thousands of Class Bicycles and Defective Cranksets impacted in existing and  
3 potential future recalls, as a result of Defendants' misrepresentations about and  
4 omission/concealment of the Crankset Defect, the recalls cannot be implemented  
5 effectively due to supply constraints and resulting delays; and (c) the recalls are  
6 incomplete, and apply to only a subset of the Class Bicycles and Defective Cranksets.

7 ~~542.559.~~ 542.559. Plaintiffs and Class Members have had sufficient direct dealings  
8 with Defendants or their agents (retailers) to establish privity of contract between  
9 Plaintiffs and Class Members. As alleged in the preceding paragraphs, Defendant  
10 Shimano made several statements about the strength and durability of its products  
11 (and thus, the safety of its products), including the Defective Crankset, such that  
12 Plaintiffs were induced to rely on Shimano's assurances in making their purchases.  
13 Notwithstanding this, privity is not required in this case because Plaintiffs and Class  
14 Members are intended third-party beneficiaries of contracts between Defendants and  
15 their agents; specifically, they are the intended beneficiaries of Defendants' implied  
16 warranties. The retailers were not intended to be the ultimate consumers of the Class  
17 Bicycles or Defective Cranksets and have no rights under the warranty agreements  
18 provided with the Class Bicycles; the warranty agreements were designed for and  
19 intended to benefit the ultimate consumers only. Finally, privity is also not required  
20 because Plaintiffs' and Class Members' Class Bicycles and Defective Cranksets are  
21 dangerous instrumentalities due to the aforementioned defects and nonconformities.

22 ~~543.560.~~ 543.560. Plaintiffs, individually and on behalf Class Members, seeks all  
23 available monetary damages (including actual, compensatory, and punitive damages),  
24 injunctive and equitable relief, and attorneys' fees and costs.

C. **COUNT XXI: VIOLATION OF ILLINOIS CONSUMER FRAUD AND  
DECEPTIVE BUSINESS PRACTICES ACT (815 ILL COMP. STAT.  
505/1, ET SEQ.)**

(Against Shimano, Specialized, and Giant)

~~544.561.~~ Plaintiffs reallege and incorporate by reference each of the allegations in Paragraphs 1-15~~89~~, above, as though fully set forth herein.

~~545.562.~~ Plaintiffs Lewis and, Semizarov, ~~and Sielski~~ brings this count under Illinois law, individually and on behalf of the other members of the Illinois Subclass against Shimano and Specialized for their respective Class Bicycles and Defective Cranksets. For the remaining Defendants, Plaintiffs who purchased their Class Bicycles or Defective Cranksets in states with materially similar laws may represent Subclasses under this count against all other Defendants.

~~546.563.~~ For purposes of this count, Plaintiffs Lewis and, Semizarov, ~~and Sielski~~ shall be referred to as “Plaintiffs,” and members of the Illinois Subclass shall be referred to as “Class Members.” For purposes of this count, Shimano and Specialized shall be referred to as “Defendants.”

~~547.564.~~ Defendants, Plaintiffs, and Class Members are “persons” within the meaning of 815 Ill. Comp. Stat. 505/1(c).

~~548.565.~~ Plaintiffs and Class Members are “consumers” within the meaning of 815 Ill. Comp. Stat. 505/1I.

~~549.566.~~ The Defective Cranksets and Class Bicycles are “merchandise” within the meaning of 815 Ill. Comp. Stat. 505/1(b).

~~550.567.~~ Defendants were and are engaged in “trade” and “commerce” within the meaning of 815 Ill. Comp. Stat. 505/1(f).

~~551.568.~~ The Illinois Consumer Fraud and Deceptive Business Practices Act (“Illinois CFA”) prohibits “[u]nfair methods of competition and unfair or deceptive acts or practices.” 815 Ill. Comp. Stat. 505/2.

1 ~~552.569.~~ Defendants' violations of the Illinois CFA occurred repeatedly in  
2 their trade or practice – including the design, manufacture, distribution, marketing,  
3 and sale of the Defective Cranksets and the Class Bicycles.

4 ~~553.570.~~ Defendants, through their agents, employees, and/or subsidiaries,  
5 violated the Illinois CFA by knowingly and intentionally misrepresenting, omitting,  
6 concealing, and/or failing to disclose material facts regarding the reliability, safety,  
7 and performance of the Class Bicycles and the Defective Cranksets, as detailed above.

8 ~~554.571.~~ As set forth herein, Defendants engaged in deceptive acts by  
9 knowingly misrepresenting and concealing or omitting from Plaintiffs and Class  
10 Members that the Class Bicycles and Defective Cranksets suffer from the Crankset  
11 Defect (and the costs, risks, and diminished value of the Class Bicycles and Defective  
12 Cranksets as a result). Defendants knew that the Class Bicycles and Defective  
13 Cranksets were defectively designed, posed an unreasonable safety risk, and  
14 unsuitable for their intended use.

15 ~~555.572.~~ Defendants had an ongoing duty to Plaintiffs and Class Members  
16 to refrain from unfair or deceptive practices under the Illinois CFA in the course of  
17 their business. Specifically, Defendants owed Plaintiffs and Class Members a duty to  
18 disclose all the material facts concerning the Defective Cranksets and the Defective  
19 Cranksets in the Class Bicycles because:

- 20 a. Given the Defendants' role in the design, manufacture, testing, and sale  
21 of the Class Bicycles and Defective Cranksets, and their experience and  
22 knowledge as experts and long-time veterans of the bicycle industry,  
23 they possessed exclusive access to and were in a superior position to  
24 know the true facts about the Class Bicycles and Defective Cranksets;
- 25 b. Given Shimano's design, development, testing and manufacture of the  
26 Defective Cranksets and its experience and knowledge as an expert and  
27 long-time veteran of the bicycle industry, it, along with the Bicycle  
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- 1 Manufacturer Defendants, possessed exclusive access to and was in a  
2 superior position to know the true facts about the Defective Cranksets;
- 3 c. Defendants knew that the Class Bicycles and Defective Cranksets gave  
4 rise to serious safety concerns for the consumers who purchased the  
5 Class Bicycles and Defective Cranksets;
- 6 d. Given the Crankset Defect's hidden and technical nature, Plaintiffs and  
7 Class Members lacked the sophisticated expertise in bicycle and crankset  
8 components and design and technology necessary to discover that the  
9 Class Bicycles and Defective Cranksets were defective;
- 10 e. Plaintiffs and the Class Members could not reasonably have been  
11 expected to learn or discover that the Class Bicycles and Defective  
12 Cranksets had a safety defect before purchase;
- 13 f. Defendants knew that Plaintiffs and Class Members could not reasonably  
14 have been expected to learn or discover the defect and the associated  
15 repair or replacement costs;
- 16 g. Defendants knew that the Class Bicycles and Defective Cranksets, and  
17 the defect therein, gave rise to serious safety concerns for consumers  
18 who purchased them;
- 19 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm  
20 in that, among other things, the Defective Cranksets can break during  
21 normal use and riding, causing loss of balance and accidents that can lead  
22 to severe and potentially fatal injuries;
- 23 i. Defendants knew about and investigated the Crankset Defect, but then  
24 did not notify consumers about it, disclose the Crankset Defect to CPSC,  
25 or further launch a comprehensive recall for all Class Bicycles and  
26 Defective Cranksets, which individually and together deprived Plaintiffs  
27 of an opportunity that otherwise could have led them to discover the truth  
28

1 about the Crankset Defect in their Class Bicycles and Defective  
2 Cranksets;

3 j. Defendants actively concealed the defect and the associated repair and  
4 replacement costs by responding to negative reviews and inquiries  
5 without disclosing the defect, asserting that the Class Bicycles and  
6 Defective Cranksets were not defective, asserting that non-design factors  
7 caused problems with the Defective Cranksets, and replacing defectively  
8 designed Class Bicycles and Defective Cranksets with identical  
9 defectively designed Class Bicycles and Defective Cranksets; and

10 k. Defendants made, helped to make, or conspired to make partial and  
11 incomplete representations about strength, safety, quality, durability,  
12 dependability and reliability of the Class Bicycles and Defective  
13 Cranksets, while purposefully withholding material facts about a known  
14 safety defect. Because they volunteered to provide information about the  
15 Class Bicycles and Defective Cranksets that they marketed and offered  
16 for sale to consumers, Defendants had the duty to disclose the whole  
17 truth.

18 ~~556.573.~~ 573. By misrepresenting the Class Bicycles and Defective Cranksets as  
19 strong, high-quality, safe, dependable, durable, reliable, properly-functioning and free  
20 from defects, and/or by failing to disclose and actively concealing the dangers and  
21 risk posed by the Crankset Defect to consumers and CPSC, Defendants engaged in  
22 unfair methods of competition and unfair or deceptive acts or practices in the conduct  
23 of trade or commerce, as prohibited by 815 ILCS 505/2, including the use or  
24 employment of deception and fraud, and/or the concealment, suppression or omission  
25 of material facts, and engaging in conduct which creates a likelihood of confusion or  
26 misunderstanding.

1 ~~557.~~574. Defendants' unfair or deceptive acts or practices, including their  
2 misrepresentations, concealments, omissions, and/or suppressions of material facts,  
3 were designed to mislead and had a tendency or capacity to mislead and create a false  
4 impression in consumers that the Class Bicycles and Defective Cranksets were strong,  
5 safe, dependable, durable and reliable, and had properly-functioning cranksets that  
6 would properly function and be reliable. Defendants' misrepresentations,  
7 concealments, omissions, and suppressions of material facts did, in fact, deceive  
8 reasonable consumers, including Plaintiffs and Class Members, about the true safety,  
9 strength, dependability, durability, and reliability of the Class Bicycles and Defective  
10 Cranksets

11 ~~558.~~575. Defendants intended for Plaintiffs and Class Members to rely on  
12 their misrepresentations, omissions, and concealment – which they did by purchasing  
13 the Defective Cranksets and Class Bicycles at the prices they paid believing that their  
14 Defective Cranksets and Class Bicycles would not have a Crankset Defect that would  
15 affect the strength, quality, durability, dependability, reliability, and safety of the  
16 Class Bicycles and the Defective Cranksets.

17 ~~559.~~576. Defendants' misrepresentations, concealments, omissions, and  
18 suppressions of material facts regarding the Crankset Defect and true characteristics  
19 of the Defective Cranksets and Class Bicycles were material to the decisions of  
20 Plaintiffs and Class Members to purchase those cranksets and bicycles, as Defendants  
21 intended. Plaintiffs and Class Members were exposed to those misrepresentations,  
22 concealments, omissions, and suppressions of material facts, and relied on  
23 Defendants' misrepresentations that the Class Bicycles and their Defective Cranksets  
24 were safe and reliable in deciding to purchase the Class Bicycles and Defective  
25 Cranksets.

26 ~~560.~~577. Plaintiffs' and Class Members' reliance was reasonable, as they  
27 had no way of discerning that Defendants' representations were false and misleading,  
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1 or otherwise learning the facts that Defendants had concealed or failed to disclose.  
2 Plaintiffs and Class Members did not, and could not, unravel Defendants' deception  
3 on their own.

4 ~~561.578.~~ 561.578. A reasonable consumer would have considered them important in  
5 deciding whether to purchase Defendants' Class Bicycles and Defective Cranksets or  
6 pay a lesser price. Had they known the truth about the Crankset Defect, Plaintiffs and  
7 the Class members would not have purchased the Defective Cranksets and/or Class  
8 Bicycles, or would have paid significantly less for them.

9 ~~562.579.~~ 562.579. Defendants could have and should have prominently disclosed the  
10 defect on the product listings on its website, on product packaging, and to third-party  
11 retailers. Had Defendants disclosed the Crankset Defect in this manner, Plaintiffs,  
12 Class Members and reasonable consumers would have been aware of it.

13 ~~563.580.~~ 563.580. Defendants profited from selling the falsely, deceptively, and  
14 unlawfully advertised Class Bicycles and Defective Cranksets to unwary purchasers.

15 ~~564.581.~~ 564.581. As a direct and proximate result of Defendants' deceptive  
16 practices, Plaintiffs and Class Members have sustained economic injury and loss –  
17 either by purchasing a crankset or bicycle they otherwise would not have purchased  
18 or paying more than they otherwise would have as a result of Defendants' actions and  
19 omissions alleged above – that first occurred at the time each Defective Crankset  
20 and/or Class Bicycle was purchased.

21 ~~565.582.~~ 565.582. Defendants' violations present a continuing risk to Plaintiffs and  
22 Class Members, as well as to the general public, because the Class Bicycles and  
23 Defective Cranksets remain unsafe due to the Crankset Defect therein. Defendants'  
24 unlawful acts and practices complained of herein affect the public interest.

25 ~~566.583.~~ 566.583. Plaintiffs and Class Members timely provided Defendants notice  
26 of the issues raised in this count and this Complaint and an opportunity to cure, as  
27 alleged in the paragraphs addressing Defendants' notice, above. Because Defendants  
28

1 failed to adequately remedy their unlawful conduct, Plaintiffs seeks all damages and  
2 relief to which Plaintiffs and Class Members are entitled.

3 ~~567.584.~~ 584. Alternatively, Plaintiffs and Class Members were excused from  
4 providing Defendants with notice and an opportunity to cure the breach, because it  
5 would have been futile. As alleged above, Defendants knew about the Crankset Defect  
6 for years. Moreover, although Shimano issued a recall, that recall is inadequate  
7 because, *inter alia*: (a) it is belated because Defendants knew about the Defective  
8 Cranksets, including Defective Cranksets included in Class Bicycles, for years and  
9 did nothing to recall or remedy the serious safety defect; (b) with hundreds of  
10 thousands of Class Bicycles and Defective Cranksets impacted in existing and  
11 potential future recalls, as a result of Defendants' misrepresentations about and  
12 omission/concealment of the Crankset Defect, the recalls cannot be implemented  
13 effectively due to supply constraints and resulting delays; and (c) the recalls are  
14 incomplete, and apply to only a subset of the Class Bicycles and Defective Cranksets.

15 ~~568.585.~~ 585. Pursuant to 815 Ill. Comp. Stat. 505/10a, Plaintiffs and Class  
16 Members seek an order enjoining Defendants' unfair or deceptive acts or practices  
17 and awarding actual damages, treble damages, restitution, attorneys' fees, and any  
18 other just and proper relief available under the Illinois CFA.

19 **D. COUNT XXII: VIOLATION OF THE ILLINOIS UNIFORM**  
20 **DECEPTIVE TRADE PRACTICES ACT (815 ILL. COMP. STAT.**  
21 **510/1, ET SEQ.)**

22 (Against Shimano, Specialized, and Giant)

23 ~~569.586.~~ 586. Plaintiffs reallege and incorporate by reference each of the  
24 allegations in Paragraphs 1-15~~89~~, above, as though fully set forth herein.

25 ~~570.587.~~ 587. Plaintiffs Lewis, and Semizarov, ~~and Sielski~~ brings this count  
26 under Illinois law, individually and on behalf of the other members of the Illinois  
27 Subclass against Shimano and Specialized for their respective Class Bicycles and  
28

1 Defective Cranksets. For the remaining Defendants, Plaintiffs who purchased their  
2 Class Bicycles or Defective Cranksets in states with materially similar laws may  
3 represent Subclasses under this count against all other Defendants.

4 ~~571.588.~~ 571.588. For purposes of this count, Plaintiffs Lewis and Semizarov, ~~and~~  
5 ~~Sielski~~ shall be referred to as “Plaintiffs,” and members of the Illinois Subclass shall  
6 be referred to as “Class Members.” For purposes of this count, Shimano and  
7 Specialized shall be referred to as “Defendants.”

8 ~~572.589.~~ 572.589. The Illinois Uniform Deceptive Trade Practices Act (“Illinois  
9 UDTPA”) prohibits deceptive trade practices in the course of a business, vocation,  
10 or occupation. 815 ILCS 510/2(a).

11 ~~573.590.~~ 573.590. In the course of their business, Defendants, through their agents,  
12 employees, and/or subsidiaries, violated the Illinois UDTPA by knowingly and  
13 intentionally misrepresenting, omitting, concealing, and/or failing to disclose material  
14 facts regarding the strength, quality, durability, dependability, reliability, and safety  
15 of the Class Bicycles and Defective Cranksets, as detailed above.

16 ~~574.591.~~ 574.591. By misrepresenting the Class Bicycles and Defective Cranksets as  
17 strong, high-quality, safe, dependable, durable, reliable, properly-functioning and free  
18 from defects, and/or by failing to disclose and actively concealing the dangers and  
19 risk posed by the Crankset Defect to consumers and CPSC, Defendants engaged in  
20 one or more of the following unfair or deceptive business practices prohibited by 815  
21 ILCS 510/2(a):

- 22 a. Representing that the Class Bicycle and Defective Cranksets had  
23 characteristics that they did not actually have—i.e., that Class Bicycles  
24 and Defective Cranksets were safe, strong, of high-quality, durable,  
25 dependable, reliable, properly-functioning, free from defects and  
26 suitable for normal use, when, in fact, they were not because the  
27 Defective Cranksets were defectively designed such that they had an  
28

unreasonably dangerous propensity to break, causing accidents and injuries;

b. Representing that the Class Bicycle and Defective Cranksets were of a particular quality, grade, or standard when, in fact, they were not of that quality, grade, or standard;

c. Advertising the Class Bicycle and Defective Cranksets with the intent not to sell them as advertised, i.e., that the Class Bicycles and Defective Cranksets were safe and suitable for their intended use, when, in fact, they were not because of the Crankset Defect; and

d. Engaging in other conduct which similarly creates a likelihood of confusion or misunderstanding.

815 ILCS 510/2(a)(5), (7), (9), and (12)

~~575.592.~~ Defendants' unfair or deceptive acts or practices, including their misrepresentations, concealments, omissions, and/or suppressions of material facts, were designed to mislead and had a tendency or capacity to mislead and create a false impression in consumers that the Class Bicycles and Defective Cranksets were strong, safe, high-quality, reliable, durable, dependable, free of defects had properly-functioning cranksets. Indeed, those misrepresentations, concealments, omissions, and suppressions of material facts did in fact deceive reasonable consumers, including Plaintiffs and Class Members, about the true strength, safety, quality, reliability, durability and dependability of the Class Bicycles and the Defective Cranksets, and the true value of the Class Bicycles and Defective Cranksets.

~~576.593.~~ Defendants intended for Plaintiffs and Class Members to rely on their misrepresentations, omissions, and concealment—which they did by purchasing the Class Bicycles at the prices they paid believing that their bicycles would not have a Crankset Defect that would affect the strength, safety, quality, reliability, durability, and dependability of the Class Bicycles and Defective Cranksets.



1 ~~577.~~594. Defendants' misrepresentations, concealments, omissions, and  
2 suppressions of material facts regarding the Crankset Defect and true characteristics  
3 of the Class Bicycles and Defective Cranksets were material to the decisions of  
4 Plaintiffs and Class Members to purchase the Class Bicycles and Defective Cranksets,  
5 as Defendants intended. Plaintiffs and Class Members were exposed to those  
6 misrepresentations, concealments, omissions, and suppressions of material facts, and  
7 relied on Defendants' misrepresentations that the Class Bicycles and Defective  
8 Cranksets were strong, safe, high-quality, reliable, durable, and dependable in  
9 deciding to purchase the Class Bicycles and Defective Cranksets.

10 ~~578.~~595. Plaintiffs' and Class Members' reliance was reasonable, as they  
11 had no way of discerning that Defendants' representations were false and misleading,  
12 or otherwise learning the facts that Defendants had concealed, omitted or failed to  
13 disclose. Plaintiffs and Class Members did not, and could not, unravel Defendants'  
14 deception on their own.

15 ~~579.~~596. Had they known the truth about the Crankset Defect, Plaintiffs and  
16 Class Members would not have purchased the Class Bicycles or Defective Cranksets,  
17 or would have paid significantly less for them.

18 ~~580.~~597. As a direct and proximate result of Defendants' deceptive  
19 practices, Plaintiffs and Class Members have sustained economic injury and loss—  
20 either by purchasing a Class Bicycle or Crankset they otherwise would not have  
21 purchased or paying more than they otherwise would have as a result of Defendants'  
22 actions and omissions alleged above—that first occurred at the time each Class  
23 Bicycle or Crankset was purchased.

24 ~~581.~~598. Defendants' violations present a continuing risk to Plaintiffs and  
25 Class Members, as well as to the general public, because the Class Bicycles and  
26 Defective Cranksets remain unsafe due to the Defective Cranksets therein.

Defendants' unlawful acts and practices complained of herein affect the public interest.

582.599. Pursuant to 815 ILCS 510/3, Plaintiffs and Class Members seek an order enjoining Defendants' unfair and/or deceptive acts or practices, any such orders or judgments as may be necessary to restore to them any money acquired by their unfair or deceptive acts or practices, including restitution and/or restitutionary disgorgement, and any other just and proper relief available under the Illinois UDTPA.

583.600. Plaintiffs pleads this claim separately as well as in the alternative to their claims for damages under Fed. R. Civ. P. 8(a)(3), because if the Court dismisses Plaintiffs' claims for damages or enters judgment on them in favor of Defendants, Plaintiffs will have no adequate legal remedy.

**E. COUNT XXIII: FRAUD**

(Against Shimano, Specialized, and Giant)

584.601. Plaintiffs reallege and incorporate by reference each of the allegations in Paragraphs 1-1589, above, as though fully set forth herein.

585.602. Plaintiffs Lewis and, Semizarov, ~~and Sielski~~ brings this count under Illinois law, under both the misrepresentation and omission/concealment theories, under Illinois law, individually and on behalf of the Illinois Subclass against Shimano and Giant for their respective Class Bicycles and Defective Cranksets. For the remaining Defendants, Plaintiffs who purchased their Class Bicycles or Defective Cranksets in states with materially similar laws may represent Subclasses under this count against all other Defendants.

586.603. For purposes of this count, Plaintiffs Lewis and, Semizarov, ~~and Sielski~~ shall be referred to as "Plaintiffs," and members of the Illinois Subclass shall be referred to as "Class Members." For purposes of this count, Shimano and Giant shall be referred to as "Defendants."

1           **1.     Affirmative Misrepresentation**

2           ~~587.604.~~ Defendants represented and marketed the Class Bicycles and  
3 Defective Cranksets as strong, of high-quality, durable, dependable, and reliable.  
4 These representations are understood by consumers to mean that the Class Bicycles  
5 and Defective Cranksets are “safe” for ordinary use.

6           ~~588.605.~~ The strength, quality, durability, dependability and reliability of  
7 the Defective Cranksets and the Class Bicycles in which the Defective Cranksets were  
8 installed were material facts because a reasonable person would find it important in  
9 purchasing or retaining a new or used bicycle and because it directly impacts the value  
10 of the Class Bicycles and Defective Cranksets purchased by Plaintiffs and Class  
11 Members.

12           ~~589.606.~~ Defendants’ representations regarding the Defective Cranksets  
13 and Class Bicycles’ strength, quality, durability, dependability and reliability—, all  
14 terms that signal “safety” to consumers—were false because the Class Bicycles and  
15 Defective Cranksets contain the Crankset Defect that causes the cranksets to break  
16 during normal use. In doing so, the presence of the Crankset Defect makes the  
17 Defective Cranksets and Class Bicycles unsafe for normal use.

18           ~~590.607.~~ Defendants knew that their representations were false and  
19 intended Plaintiffs and Class Members to rely on them, which they did by purchasing  
20 the Class Bicycles and Defective Cranksets at the prices they paid believing that they  
21 would not have a Crankset Defect that would affect the quality, reliability, durability,  
22 strength and safety of the Class Bicycles and Defective Cranksets.

23           ~~591.608.~~ Plaintiffs’ and Class Members’ reliance was reasonable because a  
24 reasonable consumer would not have expected that the Class Bicycles and Defective  
25 Cranksets contained a safety defect that poses such a serious risk. They had no way  
26 of learning the facts that Defendants had concealed or failed to disclose. Plaintiffs and  
27 Class Members did not, and could not, unravel Defendants’ deception on their own.  
28

1 ~~592.609.~~ Had Plaintiffs and Class Members known of the Crankset Defect  
2 within the Class Bicycles or Defective Cranksets, they would not have purchased the  
3 Class Bicycles or Defective Cranksets or would have paid less for them.

4 ~~593.610.~~ As a direct and proximate result of Defendants' omissions and  
5 concealment, Plaintiffs and other Class Members either overpaid for the Class  
6 Bicycles or Defective Cranksets, or would not have purchased the Class Bicycles or  
7 Defective Cranksets at all if the Crankset Defect had been disclosed to them.  
8 Accordingly, Defendants are liable to Plaintiffs and Class Members for their damages  
9 in an amount to be proven at trial.

10 ~~594.611.~~ Defendants acted maliciously, oppressively, deliberately, with  
11 intent to defraud; in reckless disregard of the Plaintiffs' and Class Members' rights  
12 and well-being; and to enrich themselves. Defendants' misconduct warrants an  
13 assessment of punitive damages, as permitted by law, in an amount sufficient to deter  
14 such conduct in the future, which amount shall be determined according to proof at  
15 trial.

16 **2. Omission/Concealment**

17 ~~595.612.~~ Defendants are liable for fraud by omission, concealment, and/or  
18 non-disclosure. See, e.g., Restatement (Second) of Torts §§ 550-51 (1977).

19 ~~596.613.~~ Defendants owed Plaintiffs and Class Members a duty to disclose  
20 all the material facts concerning the Defective Cranksets in the Class Bicycles and  
21 Defective Cranksets because:

- 22 a. Given the Defendants' role in the design, manufacture, pre-sale testing,  
23 sale, and post-sale monitoring of the Class Bicycles and Defective  
24 Cranksets, and their experience and knowledge as experts and long-time  
25 veterans of the bicycle industry, they possessed exclusive access to and  
26 were in a superior position to know the true facts about the Class  
27 Bicycles and Defective Cranksets;

- 1 b. Given Shimano's design, development, testing and manufacture of the  
2 Defective Cranksets and its experience and knowledge as an expert and  
3 long-time veteran of the bicycle industry, it, along with the Bicycle  
4 Manufacturer Defendants, possessed exclusive access to and was in a  
5 superior position to know the true facts about the Defective Cranksets,  
6 including their component parts, design, adhesive properties, and other  
7 information not known to Plaintiffs or Class Members;
- 8 c. Defendants knew that the Class Bicycles and Defective Cranksets gave  
9 rise to serious safety concerns for the consumers who purchased the  
10 Class Bicycles and Defective Cranksets;
- 11 d. Given the Crankset Defect's hidden, proprietary, and technical nature,  
12 Plaintiffs and Class Members lacked the sophisticated expertise in  
13 bicycle and crankset components and design and technology necessary  
14 to discover that the Class Bicycles and Defective Cranksets were  
15 defective;
- 16 e. Plaintiffs and the Class Members could not reasonably have been  
17 expected to learn or discover that the Class Bicycles and Defective  
18 Cranksets had a safety defect before purchase;
- 19 f. Defendants knew that Plaintiffs and Class Members could not reasonably  
20 have been expected to learn or discover the defect and the associated  
21 repair or replacement costs;
- 22 g. Defendants knew that the Class Bicycles and Defective Cranksets, and  
23 the defect therein, gave rise to serious safety concerns for consumers  
24 who purchased them;
- 25 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm  
26 in that, among other things, the Defective Cranksets can break during  
27  
28

1 normal use and riding, causing loss of balance and accidents that can lead  
2 to severe and potentially fatal injuries;

3 i. Defendants knew about and investigated the Crankset Defect, but then  
4 did not notify consumers about it, disclose the Crankset Defect to CPSC,  
5 or further launch a comprehensive recall for all Class Bicycles and  
6 Defective Cranksets, which individually and together deprived Plaintiffs  
7 of an opportunity that otherwise could have led them to discover the truth  
8 about the Crankset Defect in their Class Bicycles and Defective  
9 Cranksets;

10 j. Defendants actively concealed the defect and the associated repair and  
11 replacement costs by responding to negative reviews and inquiries  
12 without disclosing the defect, asserting that the Class Bicycles and  
13 Defective Cranksets were not defective, asserting that non-design factors  
14 caused problems with the Defective Cranksets, and replacing defectively  
15 designed Class Bicycles and Defective Cranksets with identical  
16 defectively designed Class Bicycles and Defective Cranksets; and

17 k. Defendants made, helped to make, or conspired to make partial and  
18 incomplete representations about strength, safety, quality, durability,  
19 dependability and reliability of the Class Bicycles and Defective  
20 Cranksets, while purposefully withholding material facts about a known  
21 safety defect. Because they volunteered to provide information about the  
22 Class Bicycles and Defective Cranksets that they marketed and offered  
23 for sale to consumers, Defendants had the duty to disclose the whole  
24 truth.

25 l. In breach of their duties, Defendants failed to disclose the Crankset  
26 Defect and that the Class Bicycles and Defective Cranksets were not  
27 strong, safety, high-quality, durable, durable or free of defects to  
28

1 Plaintiffs and Class Members in connection with the sale of the Class  
2 Bicycles and Defective Cranksets.

3 ~~597.614.~~ 598.615. The Crankset Defect within the Class Bicycles and Defective  
4 Cranksets is material to the sale of the of the Class Bicycles and Defective Cranksets  
5 because a reasonable person would find it important in purchasing or retaining a new  
6 or used bicycle and because it directly impacts the value of the Class Bicycles and  
7 Defective Cranksets purchased by Plaintiffs and Class Members.

8 ~~598.615.~~ 599.616. Defendants intended for Plaintiffs and Class Members to rely on  
9 their omissions and concealment—which they did by purchasing the Class Bicycles  
10 and Defective Cranksets at the prices they paid believing that they would not have a  
11 Crankset Defect that would affect the quality, reliability, durability, strength and  
12 safety of the Class Bicycles and Defective Cranksets.

13 ~~599.616.~~ 600.617. Plaintiffs' and Class Members' reliance was reasonable because a  
14 reasonable consumer would not have expected that the Class Bicycles and Defective  
15 Cranksets contained a safety defect that poses such a serious risk. They had no way  
16 of learning the facts that Defendants had concealed or failed to disclose. Plaintiffs and  
17 Class Members did not, and could not, unravel Defendants' deception on their own.

18 ~~600.617.~~ 601.618. Defendants actively concealed and suppressed these material  
19 facts, in whole or in part, to maintain a market for the Class Bicycles and Defective  
20 Cranksets installed in them, and the Defective Cranksets themselves, to protect  
21 profits, and to avoid costly recalls that would expose them to liability for those  
22 expenses and harm the commercial reputations of Defendants and their products.  
23 They did so at the expense of Plaintiffs and Class Members.

24 ~~601.618.~~ 602.619. If Defendants had fully and adequately disclosed the Crankset  
25 Defect to consumers, Plaintiffs and Class Members would have seen such a  
26 disclosure.  
27  
28



1 ~~602.619.~~ Through their omissions and concealment with respect to the  
2 Crankset Defect within the Class Bicycles and Defective Cranksets, Defendants  
3 intended to induce, and did induce, Plaintiffs and Class Members to either purchase a  
4 Class Bicycle or a Defective Crankset that they otherwise would not have purchased,  
5 or pay more for than they otherwise would have paid for a Class Bicycle or Defective  
6 Crankset.

7 ~~603.620.~~ Had Plaintiffs and Class Members known of the Crankset Defect  
8 within the Class Bicycles or Defective Cranksets, they would not have purchased the  
9 Class Bicycles or Defective Cranksets or would have paid less for them.

10 ~~604.621.~~ As a direct and proximate result of Defendants' omissions and  
11 concealment, Plaintiffs and other Class Members either overpaid for the Class  
12 Bicycles or Defective Cranksets, or would not have purchased the Class Bicycles or  
13 Defective Cranksets at all if the Crankset Defect had been disclosed to them.  
14 Accordingly, Defendants are liable to Plaintiffs and Class Members for their damages  
15 in an amount to be proven at trial.

16 ~~605.622.~~ Defendants acted maliciously, oppressively, deliberately, with  
17 intent to defraud; in reckless disregard of the Plaintiffs' and Class Members' rights  
18 and well-being; and to enrich themselves. Defendants' misconduct warrants an  
19 assessment of punitive damages, as permitted by law, in an amount sufficient to deter  
20 such conduct in the future, which amount shall be determined according to proof at  
21 trial.

22 **F. COUNT XXIV: UNJUST ENRICHMENT**

23 (Against Shimano, Specialized, and Giant)

24 ~~606.623.~~ Plaintiffs reallege and incorporate by reference each of the  
25 allegations in Paragraphs 1-15~~89~~, above, as though fully set forth herein.

26 ~~607.624.~~ Plaintiffs Lewis ~~and~~, Semizarov, ~~and Sielski~~ brings this count  
27 under Illinois law, individually and on behalf of the other members of the Illinois  
28

1 Subclass against Shimano and Specialized for their respective Class Bicycles and  
2 Defective Cranksets. For the remaining Defendants, Plaintiffs who purchased their  
3 Class Bicycles or Defective Cranksets in states with materially similar laws may  
4 represent Subclasses under this count against all other Defendants.

5 ~~608.625.~~ For purposes of this count, Plaintiffs Lewis and Semizarov, ~~and~~  
6 ~~Sielski~~ shall be referred to as “Plaintiffs,” and members of the Illinois Subclass shall  
7 be referred to as “Class Members.” For purposes of this count, Shimano and  
8 Specialized shall be referred to as “Defendants.”

9 ~~609.626.~~ When they purchased the Class Bicycles or Defective Cranksets,  
10 Plaintiffs and Class Member conferred a tangible and material economic benefits on  
11 Defendants. Defendants readily accepted and retained the benefits.

12 ~~610.627.~~ Plaintiffs and Class Members would not have purchased the  
13 Defective Cranksets or Class Bicycles, or would have paid less for them, had they  
14 known of the Crankset Defect at the time of purchase. Therefore, Defendants profited  
15 from the sale of the Defective Cranksets and Class Bicycles to the detriment and  
16 expense of Plaintiffs and Class Members.

17 ~~611.628.~~ Defendants knew or should have known that the payments  
18 rendered by Plaintiffs and Class Members were given with the expectation that the  
19 Class Bicycles and Defective Cranksets would have the qualities, characteristics, and  
20 suitability for use represented and warranted by Defendants. Defendants appreciated  
21 the economic benefits. The benefits were the expected result of Defendants acting in  
22 their own pecuniary interest at the expense of Plaintiffs and Class members.  
23 Defendants knew of the benefits they were receiving because they were aware of the  
24 Crankset Defect in the Class Bicycles and Defective Cranksets, yet they failed to  
25 disclose this knowledge and misled Plaintiffs and Class Members regarding the nature  
26 and quality of the Class Bicycles and Defective Cranksets while profiting from their  
27  
28

1 deception. As such, it would be unjust, inequitable and unconscionable for Defendants  
2 to retain the benefit of the payments under these circumstances.

3 ~~612.629.~~ 612.629. By their wrongful acts and omissions described herein, including  
4 selling the Class Bicycles and Defective Cranksets which contain the Crankset Defect,  
5 Defendants were unjustly enriched at the expense of Plaintiffs and Class Members.

6 ~~613.630.~~ 613.630. Plaintiffs' and Class Members' detriment and Defendants'  
7 enrichment were related to and flowed from the wrongful conduct challenged in this  
8 Complaint.

9 ~~614.631.~~ 614.631. Defendants have profited from their unlawful, unfair, misleading,  
10 and deceptive practices at the expense of Plaintiffs and Class Members. It would be  
11 unjust, inequitable and unconscionable for Defendants to retain the profits, benefits,  
12 and other compensation obtained from their wrongful conduct alleged herein

13 ~~615.632.~~ 615.632. Defendants have been unjustly enriched in retaining the revenues  
14 derived from Plaintiffs' and Class Members' purchases of Class Bicycles and  
15 Defective Cranksets, which retention of such revenues under these circumstances is  
16 unjust and inequitable because Defendants manufactured the Class Bicycles and  
17 Defective Cranksets, and Defendants affirmatively misrepresented and omitted and/or  
18 concealed the nature of the Class Bicycles and Defective Cranksets, and knowingly  
19 marketed and promoted dangerous and Class Bicycles and Defective Cranksets,  
20 which injured Plaintiffs and Class Members because they would not have purchased  
21 the Class Bicycles and Defective Cranksets based on the exact representations if the  
22 true facts concerning the Class Bicycles and Defective Cranksets had been known.

23 ~~616.633.~~ 616.633. Plaintiffs and putative Class Members are entitled to restitution  
24 and to recover from Defendants all amounts wrongfully collected and improperly  
25 retained by Defendants in the amount necessary to return Plaintiffs sand Class  
26 Members to the position they occupied prior to dealing with Defendants, with such  
27 amounts to be determined at trial.  
28

1 ~~617.634.~~ As a direct and proximate result of Defendants' wrongful conduct  
2 and unjust enrichment, Plaintiffs and putative Class Members are entitled to  
3 restitution of, disgorgement of, and/or imposition of a constructive trust upon all  
4 profits, benefits, and other compensation obtained by Defendants for their inequitable  
5 and unlawful conduct.

6 ~~618.635.~~ Plaintiffs plead this claim separately as well as in the alternative  
7 to claims for damages under Fed. R. Civ. P. 8(a)(3), because if the Court dismisses  
8 Plaintiffs' claims for damages or enters judgment on them in favor of the Defendants,  
9 Plaintiff will have no adequate legal remedy.

10 **CLAIMS ASSERTED ON BEHALF OF NEW YORK STATE SUBCLASS**

11 **A. COUNT XXV: BREACH OF EXPRESS WARRANTY (N.Y. U.C.C. §§**  
12 **2-313)**

13 (Against Shimano)

14 ~~619.636.~~ Plaintiffs reallege and incorporate by reference each of the  
15 allegations in Paragraphs 1-15~~8~~<sup>9</sup>, above, as though fully set forth herein.

16 ~~620.637.~~ Plaintiffs Adelman and Kouyate bring this count under New York  
17 law, individually and on behalf of the other members of the New York Subclass  
18 against Shimano for the Defective Cranksets.

19 ~~621.638.~~ For purposes of this count Plaintiffs Adelman and Kouyate shall  
20 be referred to as "Plaintiffs," and members of the New York Subclass shall be referred  
21 to as "Class Members." For purposes of this count, Shimano shall be referred to as  
22 "Defendant."

23 ~~622.639.~~ Plaintiffs' Class Bicycles and Defective Cranksets are "goods"  
24 under N.Y. U.C.C. §§ 2-105(1).

25 ~~623.640.~~ Plaintiffs and Class Members who purchased the Defective  
26 Cranksets in New York are "buyers" under N.Y. U.C.C. § 2-103(1)(a).

1 ~~624.~~641. Shimano is a “merchant” and “seller” of the Defective Cranksets  
2 under N.Y. U.C.C. § 2-104(1), and § 2-103(1)(d), respectively.

3 ~~625.~~642. Defendant issued an express written warranty for each Defective  
4 Crankset they sold (including Defective Cranksets equipped in Class Bicycles),  
5 including that:

- 6 a. The Defective Cranksets would be “free from a defect in material and  
7 workmanship” at the time of sale; and<sup>43</sup>  
8 b. The Defective Cranksets were strong, high quality, safe, durable,  
9 dependable, and reliable, and their cranksets would function properly  
10 during the operation of the bicycles.

11 ~~626.~~643. The warranties listed above formed the basis of the bargain with  
12 regard to Plaintiffs’ and other Class Members’ purchase of the Defective Cranksets  
13 or Class Bicycles equipped with Defective Cranksets.

14 ~~627.~~644. Defendant knowingly breached its warranty for the Defective  
15 Cranksets or Class Bicycles equipped with Defective Cranksets because:

- 16 a. The Defective Cranksets or Class Bicycles equipped with Defective  
17 Cranksets have latent defects which have a dangerous propensity to  
18 cause the bonded crank parts to separate and break, subjecting Plaintiffs  
19 and the other Class Members to the risk of loss and injury; and  
20 b. Defendant denied, concealed, and misrepresented (affirmatively and by  
21 omission) the Crankset Defect, in the process of refusing to pay for or  
22 provide, in a reasonably timely fashion, the needed repairs and  
23 replacements for Plaintiffs and the other Class Members.

24 ~~628.~~645. Defendant knew or should have known that the warranties were  
25 false and/or misleading. Specifically, Defendant was aware of the Crankset Defect,  
26

27 <sup>43</sup> Shimano Warranty Policy, <https://ride.shimano.com/pages/shimano-warranty-policy>, last  
28 accessed on December 29, 2023.

1 which made the Defective Cranksets or Class Bicycles equipped with Defective  
2 Cranksets inherently defective and dangerous at the time that they were sold to  
3 Plaintiffs and the other Class Members.

4 ~~629.646.~~ 646. Plaintiffs and the other Class Members were exposed to  
5 Defendant's misrepresentations and omissions/concealment, and they had no way of  
6 discerning that Defendant's representations and omissions/concealment were false  
7 and misleading or otherwise learning the material facts that Defendants had concealed  
8 or failed to disclose. Accordingly, Plaintiffs and the other Class Members reasonably  
9 relied on Defendant's express warranties when purchasing the Defective Cranksets or  
10 Class Bicycles equipped with Defective Cranksets.

11 ~~630.647.~~ 647. Plaintiffs and the other Class Members timely provided the  
12 Defendant notice of the issues raised in this count and this Complaint and an  
13 opportunity to cure, as alleged in the paragraphs addressing Defendant's notice,  
14 above.

15 ~~631.648.~~ 648. Alternatively, Plaintiffs and the other Class Members were  
16 excused from providing Defendant with notice and an opportunity to cure the breach,  
17 because it would have been futile. As alleged above, Defendant knew about the  
18 Crankset Defect for years. Moreover, although Defendant issued a recall, that recall  
19 is inadequate because, inter alia: (a) it is belated because Defendant knew about the  
20 Defective Cranksets, including Defective Cranksets included in Class Bicycles, for  
21 years and did nothing to recall or remedy the serious safety defect; (b) with hundreds  
22 of thousands of Class Bicycles and Defective Cranksets impacted in existing and  
23 potential future recalls, as a result of Defendant's misrepresentations about and  
24 omission/concealment of the Crankset Defect, the recalls cannot be implemented  
25 effectively due to supply constraints and resulting delays; and (c) the recalls are  
26 incomplete, and apply to only a subset of the Defective Cranksets or Class Bicycles  
27 equipped with Defective Cranksets.

1 ~~632.649.~~ Privity of contract is not required here because Plaintiffs and the  
2 other Class Members were each intended third-party beneficiaries of the Defective  
3 Cranksets or Class Bicycles equipped with Defective Cranksets sold through  
4 independent retailers. The retailers were not intended to be the ultimate consumers of  
5 the Defective Cranksets or Class Bicycles equipped with Defective Cranksets and  
6 have no rights under the warranty provided with the Defective Cranksets or Class  
7 Bicycles equipped with Defective Cranksets.

8 ~~633.650.~~ Alternatively, privity of contract is satisfied because Plaintiffs and  
9 the other Class Members purchased the Defective Cranksets or Class Bicycles  
10 equipped with Defective Cranksets from retailers who were the exclusive retail sellers  
11 of Defendant's products and/or acted as agents of the Defendants.

12 ~~634.651.~~ Plaintiffs and the other Class Members did not receive or  
13 otherwise have the opportunity to review, at or before the time of sale, any purported  
14 warranty exclusions and limitations of remedies. Accordingly, any such exclusions  
15 and limitations of remedies are unconscionable and unenforceable.

16 ~~635.652.~~ As a direct and proximate result of Defendant's breach of their  
17 express warranties, the Defective Cranksets or Class Bicycles equipped with  
18 Defective Cranksets were and are defective and the Crankset Defect was not  
19 remedied. Therefore, Plaintiffs and the other Class Members have been damaged, in  
20 an amount to be proven at trial, through their overpayment at the time of purchase for  
21 the Defective Cranksets or Class Bicycles equipped with Defective Cranksets with an  
22 undisclosed safety defect that would not be remedied.

23 **B. COUNT XXVI: BREACH OF IMPLIED WARRANTY OF**  
24 **MERCHANTABILITY (N.Y. U.C.C. §§ 2-314)**

25 (Against Shimano)

26 ~~636.653.~~ Plaintiffs reallege and incorporate by reference each of the  
27 allegations in Paragraphs 1-15~~89~~, above, as though fully set forth herein.  
28



1 ~~637.654.~~ 637.654. Plaintiffs Adelman and Kouyate bring this count under New York  
2 law, individually and on behalf of the other members of the New York Subclass  
3 against Shimano for the Defective Cranksets.

4 ~~638.655.~~ 638.655. For purposes of this count, Plaintiffs Adelman and Kouyate shall  
5 be referred to as “Plaintiffs,” and members of the New York Subclass shall be referred  
6 to as “Class Members.”

7 ~~639.656.~~ 639.656. For purposes of this count, Defendant Shimano shall be referred  
8 to as “Defendant.”

9 ~~640.657.~~ 640.657. For purposes of this count, members of the California Subclass  
10 shall be referred to as “Class Members.”

11 ~~641.658.~~ 641.658. The Class Bicycles and Defective Cranksets are “goods” under  
12 N.Y. U.C.C. §§ 2-105(1).

13 ~~642.659.~~ 642.659. Plaintiffs and the other Class Members are “buyers” of the Class  
14 Bicycles and Defective Cranksets under N.Y. U.C.C. § 2-103(1)(a).

15 ~~643.660.~~ 643.660. Defendant is a “merchant” and “seller” under N.Y. U.C.C. § 2-  
16 104(1) and § 2-103(1)(d), respectively.

17 ~~644.661.~~ 644.661. New York law conferred an implied warranty that the Defective  
18 Cranksets and Class Bicycles were in merchantable condition and fit for the ordinary  
19 purpose for which they were to be used pursuant to N.Y. U.C.C. §§ 2-314.

20 ~~645.662.~~ 645.662. The Defective Cranksets and Class Bicycles are not merchantable  
21 and, as such, Defendants breached their implied warranties, because at the time of  
22 sale and all times thereafter:

- 23 a. The Class Bicycles and Defective Cranksets suffer from a safety defect  
24 that renders them unsafe to ride and/or operate;
- 25 b. The Defective Cranksets and the Class Bicycles would not pass without  
26 objection in the bicycle trade given the Crankset Defect;
- 27
- 28

1 c. The Crankset Defect renders the Defective Cranksets and Class Bicycles  
2 unsafe to ride and unfit for ordinary purposes; and

3 d. The Crankset Defect affects the central functionality of the Class  
4 Bicycles and Defective Cranksets.

5 ~~646.663.~~ Due to the Crankset Defect, Plaintiffs and the other Class  
6 Members cannot operate their Class Bicycles and Defective Cranksets as intended,  
7 substantially free from defects. The Class Bicycles and Defective Cranksets do not  
8 provide a safe and reliable way to propel a bicycle forward and pose a serious risk of  
9 injury, including crashing, bone fracture, laceration, and death. As a result, Plaintiffs  
10 and the other Class Members cannot use their Class Bicycles and Defective Cranksets  
11 for the purposes for which they purchased them.

12 ~~647.664.~~ Plaintiffs and the other Class Members timely provided Defendant  
13 notice of the issues raised in this count and this Complaint and an opportunity to cure,  
14 as alleged in the paragraphs addressing Defendant's notice, above.

15 ~~648.665.~~ Alternatively, Plaintiffs and the other Class Members were  
16 excused from providing Defendant with notice and an opportunity to cure the breach,  
17 because it would have been futile. As alleged above, Defendant knew about the  
18 Crankset Defect for years. Moreover, although Defendant issued a recall, that recall  
19 is inadequate because, inter alia: (a) it is belated because Defendant knew about the  
20 Defective Cranksets, including the Defective Cranksets installed in Class Bicycles,  
21 for years and did nothing to recall or remedy the serious safety defect; (b) with  
22 hundreds of thousands of Class Bicycles and Defective Cranksets impacted in existing  
23 and potential future recalls, as a result of Defendant's misrepresentations about and  
24 omission/concealment of the Crankset Defect, the recalls cannot be implemented  
25 effectively due to supply constraints and resulting delays; and (c) the recalls are  
26 incomplete, and apply to only a subset of the Class Bicycles and Defective Cranksets.

1 ~~649.666.~~ Plaintiffs and the other Class Members have had sufficient direct  
2 dealings with Defendant or its agents (retailers) to establish privity of contract  
3 between Plaintiffs and the other Class Members. Notwithstanding this, privity is not  
4 required in this case because Plaintiffs and the other Class Members are intended  
5 third-party beneficiaries of contracts between Defendant and its agents; specifically,  
6 they are the intended beneficiaries of Defendant's implied warranties. The retailers  
7 were not intended to be the ultimate consumers of the Class Bicycles or Defective  
8 Cranksets and have no rights under the warranty agreements provided with the Class  
9 Bicycles; the warranty agreements were designed for and intended to benefit the  
10 ultimate consumers only. Finally, privity is also not required because Plaintiffs' and  
11 Class Members' Class Bicycles and Defective Cranksets are dangerous  
12 instrumentalities due to the aforementioned defects and nonconformities.

13 ~~650.667.~~ Plaintiffs, individually and on behalf Class Members, seeks all  
14 available monetary damages (including actual, compensatory, and punitive damages),  
15 injunctive and equitable relief, and attorneys' fees and costs.

16 **C. COUNT XXVII: VIOLATIONS OF NEW YORK GENERAL**  
17 **BUSINESS LAW § 349 (N.Y. GEN. BUS. LAW § 349, *ET SEQ.*)**

18 (Against Shimano)

19 ~~651.668.~~ Plaintiffs reallege and incorporate by reference each of the  
20 allegations in Paragraphs 1-15~~8~~9, above, as though fully set forth herein.

21 ~~652.669.~~ Plaintiffs Adelman and Kouyate bring this count under New York  
22 law, individually and on behalf of the other members of the New York Subclass  
23 against Shimano for the Defective Cranksets.

24 ~~653.670.~~ For purposes of this count, Plaintiffs Adelman and Kouyate shall  
25 be referred to as "Plaintiffs," and members of the California Subclass shall be referred  
26 to as "Class Members."  
27  
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1 654.671. For purposes of this count, Defendant Shimano shall be referred  
2 to as “Defendant.”

3 655.672. Plaintiffs and Class Members are “persons” under N.Y. Gen. Bus.  
4 Law § 349(h).

5 656.673. Defendant is a “person,” “firm,” “corporation,” or “association”  
6 under N.Y. Gen. Bus. Law § 349.

7 657.674. The New York Deceptive Acts and Practices Act (“New York  
8 DAPA”) prohibits “[d]eceptive acts or practices in the conduct of any business, trade  
9 or commerce[.]” N.Y. Gen. Bus. Law § 349.

10 658.675. In the course of its business, Defendant, through its agents,  
11 employees, and/or subsidiaries, violated the New York DAPA by knowingly and  
12 intentionally misrepresenting, omitting, concealing, and/or failing to disclose  
13 material facts regarding the reliability, safety, and performance of the Class Bicycles  
14 and Defective Cranksets, as detailed above.

15 659.676. Defendant had an ongoing duty to Plaintiffs and the other Class  
16 Members to refrain from unfair or deceptive practices under the New York DAPA in  
17 the course of its business. Specifically, Defendant owed Plaintiffs and the other Class  
18 Members a duty to disclose all the material facts concerning the Defective Cranksets  
19 and the Defective Cranksets in the Class Bicycles because:

- 20 a. Given the Defendant’s role in the design, manufacture, testing, and sale  
21 of the Class Bicycles and Defective Cranksets, and their experience and  
22 knowledge as experts and long-time veterans of the bicycle industry,  
23 they possessed exclusive access to and were in a superior position to  
24 know the true facts about the Class Bicycles and Defective Cranksets;
- 25 b. Given Shimano’s design, development, testing and manufacture of the  
26 Defective Cranksets and its experience and knowledge as an expert and  
27 long-time veteran of the bicycle industry, it, along with the Bicycle  
28

1 Manufacturer Defendants, possessed exclusive access to and was in a  
2 superior position to know the true facts about the Defective Cranksets;

3 c. Defendant knew that the Class Bicycles and Defective Cranksets gave  
4 rise to serious safety concerns for the consumers who purchased the  
5 Class Bicycles and Defective Cranksets;

6 d. Given the Crankset Defect's hidden and technical nature, Plaintiffs and  
7 the other Class Members lacked the sophisticated expertise in bicycle  
8 and crankset components and design and technology necessary to  
9 discover that the Class Bicycles and Defective Cranksets were defective;

10 e. Plaintiffs and the other Class Members could not reasonably have been  
11 expected to learn or discover that the Class Bicycles and Defective  
12 Cranksets had a safety defect before purchase;

13 f. Defendant knew that Plaintiffs and the other Class Members could not  
14 reasonably have been expected to learn or discover the defect and the  
15 associated repair or replacement costs;

16 g. Defendant knew that the Class Bicycles and Defective Cranksets, and  
17 the defect therein, gave rise to serious safety concerns for consumers  
18 who purchased them;

19 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm  
20 in that, among other things, the Defective Cranksets can break during  
21 normal use and riding, causing loss of balance and accidents that can lead  
22 to severe and potentially fatal injuries;

23 i. Defendant knew about and investigated the Crankset Defect, but then did  
24 not notify consumers about it, disclose the Crankset Defect to CPSC, or  
25 further launch a comprehensive recall for all Class Bicycles and  
26 Defective Cranksets, which individually and together deprived Plaintiffs  
27 of an opportunity that otherwise could have led them to discover the truth  
28

1 about the Crankset Defect in their Class Bicycles and Defective  
2 Cranksets;

3 j. Defendant actively concealed the defect and the associated repair and  
4 replacement costs by responding to negative reviews and inquiries  
5 without disclosing the defect, asserting that the Class Bicycles and  
6 Defective Cranksets were not defective, asserting that non-design factors  
7 caused problems with the Defective Cranksets, and replacing defectively  
8 designed Class Bicycles and Defective Cranksets with identical  
9 defectively designed Class Bicycles and Defective Cranksets; and

10 k. Defendant made, helped to make, or conspired to make partial and  
11 incomplete representations about strength, safety, quality, durability,  
12 dependability and reliability of the Class Bicycles and Defective  
13 Cranksets, while purposefully withholding material facts about a known  
14 safety defect. Because they volunteered to provide information about the  
15 Class Bicycles and Defective Cranksets that they marketed and offered  
16 for sale to consumers, Defendant had the duty to disclose the whole truth.

17 ~~660.677.~~ 677. By misrepresenting the Class Bicycles and Defective Cranksets as  
18 strong, high-quality, safe, dependable, durable, reliable, properly-functioning and free  
19 from defects, and/or by failing to disclose and actively concealing the dangers and  
20 risk posed by the Crankset Defect to consumers and CPSC, Defendant engaged in one  
21 or more of the unfair or deceptive business practices prohibited by N.Y. Gen. Bus.  
22 Law § 349.

23 ~~661.678.~~ 678. Defendant's unfair or deceptive acts or practices, including its  
24 misrepresentations, concealments, omissions, and/or suppressions of material facts,  
25 were designed to mislead and had a tendency or capacity to mislead and create a false  
26 impression in consumers that the Class Bicycles and Defective Cranksets were strong,  
27 safe, dependable, durable and reliable, and had properly-functioning cranksets that  
28

1 would properly function and be reliable. Defendant's misrepresentations,  
2 concealments, omissions, and suppressions of material facts did, in fact, deceive  
3 reasonable consumers, including Plaintiffs and the other Class Members, about the  
4 true value, safety, strength, dependability, durability, and reliability of the Class  
5 Bicycles and Defective Cranksets

6 ~~662.679.~~ 662.679. Defendant intended for Plaintiffs and the other Class Members to  
7 rely on their misrepresentations, omissions, and concealment – which they did by  
8 purchasing the Defective Cranksets and Class Bicycles at the prices they paid  
9 believing that their Defective Cranksets and Class Bicycles would not have a Crankset  
10 Defect that would affect the strength, quality, durability, dependability, reliability,  
11 and safety of the Class Bicycles and the Defective Cranksets.

12 ~~663.680.~~ 663.680. Defendant's misrepresentations, concealments, omissions, and  
13 suppressions of material facts regarding the Crankset Defect and true characteristics  
14 of the Defective Cranksets and Class Bicycles were material to the decisions of  
15 Plaintiffs and the other Class Members to purchase those cranksets and bicycles, as  
16 Defendant intended. Plaintiffs and the other Class Members were exposed to those  
17 misrepresentations, concealments, omissions, and suppressions of material facts, and  
18 relied on Defendant's misrepresentations that the Class Bicycles and their Defective  
19 Cranksets were safe and reliable in deciding to purchase the Class Bicycles and  
20 Defective Cranksets.

21 ~~664.681.~~ 664.681. Plaintiffs' and other Class Members' reliance was reasonable, as  
22 they had no way of discerning that Defendant's representations were false and  
23 misleading, or otherwise learning the facts that Defendant had concealed or failed to  
24 disclose. Plaintiffs and the other Class Members did not, and could not, unravel  
25 Defendant's deception on their own.

26 ~~665.682.~~ 665.682. A reasonable consumer would have considered them important in  
27 deciding whether to purchase Defendant's Class Bicycles and Defective Cranksets or  
28



1 pay a lesser price. Had they known the truth about the Crankset Defect, Plaintiffs and  
2 the Class members would not have purchased the Defective Cranksets and/or Class  
3 Bicycles, or would have paid significantly less for them.

4 ~~666.683.~~ 683. As a direct and proximate result of Defendant's deceptive  
5 practices, Plaintiffs and the other Class Members have sustained economic injury and  
6 loss – either by purchasing a crankset or bicycle they otherwise would not have  
7 purchased or paying more than they otherwise would have as a result of Defendant's  
8 actions and omissions alleged above – that first occurred at the time each Defective  
9 Crankset and/or Class Bicycle was purchased.

10 ~~667.684.~~ 684. Defendant's violations present a continuing risk to Plaintiffs and  
11 the other Class Members, as well as to the general public, because the Class Bicycles  
12 and Defective Cranksets remain unsafe due to the Crankset Defect therein.  
13 Defendant's unlawful acts and practices complained of herein affect the public  
14 interest.

15 ~~668.685.~~ 685. Pursuant to N.Y. Gen. Bus. Law § 349, Plaintiffs and Class  
16 Members seek an order enjoining the above unfair or deceptive acts or practices and  
17 awarding actual damages, punitive damages, and any other just and proper relief  
18 available under the New York DAPA against Defendant.

19 **D. COUNT XXVIII: VIOLATIONS OF NEW YORK GENERAL**  
20 **BUSINESS LAW § 350 (N.Y. GEN. BUS. LAW § 350, *ET SEQ.*)**

21 (Against Shimano)

22 ~~669.686.~~ 686. Plaintiffs reallege and incorporate by reference each of the  
23 allegations in Paragraphs 1-15~~89~~, above, as though fully set forth herein.

24 ~~670.687.~~ 687. Plaintiffs Adelman and Kouyate bring this count under New York  
25 law, individually and on behalf of the other members of the New York Subclass  
26 against Shimano for the Defective Cranksets.

1 ~~671.688.~~ For purposes of this count, Plaintiffs Adelman and Kouyate shall  
2 be referred to as “Plaintiffs,” and members of the California Subclass shall be referred  
3 to as “Class Members.”

4 ~~672.689.~~ For purposes of this count, Defendant Shimano shall be referred  
5 to as “Defendant.”

6 ~~673.690.~~ Defendant was and is engaged in “conduct of business, trade or  
7 commerce” within the meaning of N.Y. Gen. Bus. Law § 350.

8 ~~674.691.~~ The New York False Advertising Act (“New York FAA”)  
9 prohibits “[f]alse advertising in the conduct of any business, trade or commerce.”  
10 N.Y. Gen. Bus. Law § 350.

11 ~~675.692.~~ Defendant caused to be made or disseminated through New York,  
12 through advertising, marketing, and other publications, statements that were untrue or  
13 misleading, and which were known, or which by exercise of reasonable care should  
14 have been known by them to be untrue and misleading to consumers, including  
15 Plaintiffs and other Class Members. Numerous examples of these statements and  
16 advertisements appear in the preceding paragraphs throughout this Complaint.

17 ~~676.693.~~ In the course of their business, Defendant, through its agents,  
18 employees, and/or subsidiaries, violated the New York FAA by knowingly and  
19 intentionally misrepresenting, omitting, concealing, and/or failing to disclose material  
20 facts regarding the reliability, safety, and performance of the Class Bicycles and  
21 Defective Cranksets, as detailed above.

22 ~~677.694.~~ Defendant had an ongoing duty to Plaintiffs and the other Class  
23 Members to refrain from unfair or deceptive practices under the New York FAA in  
24 the course of its business. Specifically, Defendant owed Plaintiffs and the other Class  
25 Members a duty to disclose all the material facts concerning the Defective Cranksets  
26 and the Defective Cranksets in the Class Bicycles because:

- a. Given the Defendant's role in the design, manufacture, testing, and sale of the Defective Cranksets, and their experience and knowledge as experts and long-time veterans of the bicycle industry, it possessed exclusive access to and was in a superior position to know the true facts about the Class Bicycles and Defective Cranksets;
- b. Given Shimano's design, development, testing and manufacture of the Defective Cranksets and its experience and knowledge as an expert and long-time veteran of the bicycle industry, it possessed exclusive access to and was in a superior position to know the true facts about the Defective Cranksets;
- c. Defendant knew that the Class Bicycles and Defective Cranksets gave rise to serious safety concerns for the consumers who purchased the Class Bicycles and Defective Cranksets;
- d. Given the Crankset Defect's hidden and technical nature, Plaintiffs and the other Class Members lacked the sophisticated expertise in bicycle and crankset components and design and technology necessary to discover that the Class Bicycles and Defective Cranksets were defective;
- e. Plaintiffs and the Class Members could not reasonably have been expected to learn or discover that the Class Bicycles and Defective Cranksets had a safety defect before purchase;
- f. Defendant knew that Plaintiffs and the other Class Members could not reasonably have been expected to learn or discover the defect and the associated repair or replacement costs;
- g. Defendant knew that the Class Bicycles and Defective Cranksets, and the defect therein, gave rise to serious safety concerns for consumers who purchased them;

- 1 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm  
2 in that, among other things, the Defective Cranksets can break during  
3 normal use and riding, causing loss of balance and accidents that can lead  
4 to severe and potentially fatal injuries;
- 5 i. Defendant knew about and investigated the Crankset Defect, but then did  
6 not notify consumers about it, disclose the Crankset Defect to CPSC, or  
7 further launch a comprehensive recall for all Class Bicycles and  
8 Defective Cranksets, which individually and together deprived Plaintiffs  
9 of an opportunity that otherwise could have led them to discover the truth  
10 about the Crankset Defect in their Class Bicycles and Defective  
11 Cranksets;
- 12 j. Defendant actively concealed the defect and the associated repair and  
13 replacement costs by responding to negative reviews and inquiries  
14 without disclosing the defect, asserting that the Class Bicycles and  
15 Defective Cranksets were not defective, asserting that non-design factors  
16 caused problems with the Defective Cranksets, and replacing defectively  
17 designed Class Bicycles and Defective Cranksets with identical  
18 defectively designed Class Bicycles and Defective Cranksets; and
- 19 k. Defendant made, helped to make, or conspired to make partial and  
20 incomplete representations about strength, safety, quality, durability,  
21 dependability and reliability of the Class Bicycles and Defective  
22 Cranksets, while purposefully withholding material facts about a known  
23 safety defect. Because it volunteered to provide information about the  
24 Class Bicycles and Defective Cranksets that it marketed and offered for  
25 sale to consumers, Defendant had the duty to disclose the whole truth.
- 26 ~~678-695.~~ By misrepresenting the Class Bicycles and Defective Cranksets as  
27 strong, high-quality, safe, dependable, durable, reliable, properly-functioning and free  
28

1 from defects, and/or by failing to disclose and actively concealing the dangers and  
2 risk posed by the Crankset Defect to consumers and CPSC, Defendant engaged in one  
3 or more of the unfair or deceptive business practices prohibited by N.Y. Gen. Bus.  
4 Law § 350.

5 ~~679.696.~~ 696. Defendant's unfair or deceptive acts or practices, including its  
6 misrepresentations, concealments, omissions, and/or suppressions of material facts,  
7 were designed to mislead and had a tendency or capacity to mislead and create a false  
8 impression in consumers that the Class Bicycles and Defective Cranksets were strong,  
9 safe, dependable, durable and reliable, and had properly-functioning cranksets that  
10 would properly function and be reliable. Defendant's misrepresentations,  
11 concealments, omissions, and suppressions of material facts did, in fact, deceive  
12 reasonable consumers, including Plaintiffs and the other Class Members, about the  
13 true value, safety, strength, dependability, durability, and reliability of the Class  
14 Bicycles and Defective Cranksets

15 ~~680.697.~~ 697. Defendant intended for Plaintiffs and the other Class Members to  
16 rely on its misrepresentations, omissions, and concealment – which they did by  
17 purchasing the Defective Cranksets and Class Bicycles at the prices they paid  
18 believing that their Defective Cranksets and Class Bicycles would not have a Crankset  
19 Defect that would affect the strength, quality, durability, dependability, reliability,  
20 and safety of the Class Bicycles and the Defective Cranksets.

21 ~~681.698.~~ 698. Defendant's misrepresentations, concealments, omissions, and  
22 suppressions of material facts regarding the Crankset Defect and true characteristics  
23 of the Defective Cranksets and Class Bicycles were material to the decisions of  
24 Plaintiffs and the other Class Members to purchase those cranksets and bicycles, as  
25 Defendant intended. Plaintiffs and the other Class Members were exposed to those  
26 misrepresentations, concealments, omissions, and suppressions of material facts, and  
27 relied on Defendant's misrepresentations that the Class Bicycles and their Defective  
28

1 Cranksets were safe and reliable in deciding to purchase the Class Bicycles and  
2 Defective Cranksets.

3 ~~682.699.~~ 683.700. Plaintiffs' and other Class Members' reliance was reasonable, as  
4 they had no way of discerning that Defendant's representations were false and  
5 misleading, or otherwise learning the facts that Defendant had concealed or failed to  
6 disclose. Plaintiffs and the other Class Members did not, and could not, unravel  
7 Defendant's deception on their own.

8 ~~683.700.~~ 684.701. A reasonable consumer would have considered them important in  
9 deciding whether to purchase Defendant's Class Bicycles and Defective Cranksets or  
10 pay a lesser price. Had they known the truth about the Crankset Defect, Plaintiffs and  
11 the other Class members would not have purchased the Defective Cranksets and/or  
12 Class Bicycles, or would have paid significantly less for them.

13 ~~684.701.~~ 685.702. As a direct and proximate result of Defendant's deceptive  
14 practices, Plaintiffs and the other Class Members have sustained economic injury and  
15 loss – either by purchasing a crankset or bicycle they otherwise would not have  
16 purchased or paying more than they otherwise would have as a result of Defendant's  
17 actions and omissions alleged above – that first occurred at the time each Defective  
18 Crankset and/or Class Bicycle was purchased.

19 ~~685.702.~~ 686.703. Defendant's violations present a continuing risk to Plaintiffs and  
20 the other Class Members, as well as to the general public, because the Class Bicycles  
21 and Defective Cranksets remain unsafe due to the Crankset Defect therein.  
22 Defendant's unlawful acts and practices complained of herein affect the public  
23 interest.

24 ~~686.703.~~ Pursuant to N.Y. Gen. Bus. Law § 350, Plaintiffs and Class  
25 Members seek an order enjoining the above unfair or deceptive acts or practices and  
26 awarding actual damages, punitive damages, and any other just and proper relief  
27 available under the New York FAA against Defendant.  
28

**E. COUNT XXIX: FRAUD**

(Against Shimano)

~~687.~~704. Plaintiffs reallege and incorporate by reference each of the allegations in Paragraphs 1-15~~89~~, above, as though fully set forth herein.

~~688.~~705. Plaintiffs Adelman and Kouyate bring this count under New York law, under both the misrepresentation and omission/concealment theories, under New York law, individually and on behalf of the New York Subclass against Shimano for the Defective Cranksets.

~~689.~~706. For purposes of this count, Plaintiffs Adelman and Kouyate shall be referred to as “Plaintiffs,” and members of the New York Subclass shall be referred to as “Class Members.”

~~690.~~707. For purposes of this count, Defendant Shimano shall be referred to as “Defendant.”

**1. Affirmative Misrepresentation**

~~691.~~708. Defendant represented and marketed Defective Cranksets as strong, of high-quality, durable, dependable, and reliable. These representations are understood by consumers to mean that the Class Bicycles and Defective Cranksets are “safe” for ordinary use.

~~692.~~709. The strength, quality, durability, dependability and reliability of the Defective Cranksets and the Class Bicycles in which the Defective Cranksets were installed were material facts because a reasonable person would find it important in purchasing or retaining a new or used bicycle and because it directly impacts the value of the Class Bicycles and Defective Cranksets purchased by Plaintiffs and the other Class Members.

~~693.~~710. Defendants’ representations regarding the Defective Cranksets and Class Bicycles’ strength, quality, durability, dependability and reliability—all



1 terms that signal “safety” to consumers—were false because the Class Bicycles and  
2 Defective Cranksets contain the Crankset Defect that causes the cranksets to break  
3 during normal use. In doing so, the presence of the Crankset Defect makes the  
4 Defective Cranksets and Class Bicycles unsafe for normal use.

5 ~~694.~~711. Defendant knew that its representations were false and intended  
6 Plaintiffs and the other Class Members to rely on them—which they did by purchasing  
7 the Class Bicycles and Defective Cranksets at the prices they paid believing that they  
8 would not have a Crankset Defect that would affect the quality, reliability, durability,  
9 strength and safety of the Class Bicycles and Defective Cranksets.

10 ~~695.~~712. Plaintiffs’ and Class Members’ reliance was reasonable because a  
11 reasonable consumer would not have expected that the Class Bicycles and Defective  
12 Cranksets contained a safety defect that poses such a serious risk. They had no way  
13 of learning the facts that Defendant had concealed or failed to disclose. Plaintiffs and  
14 the other Class Members did not, and could not, unravel Defendant’s deception on  
15 their own.

16 ~~696.~~713. Had Plaintiffs and the other Class Members known of the Crankset  
17 Defect within the Class Bicycles or Defective Cranksets, they would not have  
18 purchased the Class Bicycles or Defective Cranksets or would have paid less for them.

19 ~~697.~~714. As a direct and proximate result of Defendant’s omissions and  
20 concealment, Plaintiffs and other Class Members either overpaid for the Class  
21 Bicycles or Defective Cranksets, or would not have purchased the Class Bicycles or  
22 Defective Cranksets at all if the Crankset Defect had been disclosed to them.  
23 Accordingly, Defendant is liable to Plaintiffs and the other Class Members for their  
24 damages in an amount to be proven at trial.

25 ~~698.~~715. Defendant acted maliciously, oppressively, deliberately, with  
26 intent to defraud; in reckless disregard of the Plaintiffs’ and Class Members’ rights  
27 and well-being; and to enrich themselves. Defendant’s misconduct warrants an  
28

1 assessment of punitive damages, as permitted by law, in an amount sufficient to deter  
2 such conduct in the future, which amount shall be determined according to proof at  
3 trial.

## 4 **2. Omission/Concealment**

5 ~~699.716.~~ Defendant is liable for fraud by omission, concealment, and/or  
6 non-disclosure. *See, e.g.*, Restatement (Second) of Torts §§ 550-51 (1977).

7 ~~700.717.~~ Defendant owed Plaintiffs and the other Class Members a duty to  
8 disclose all the material facts concerning the Defective Cranksets in the Class  
9 Bicycles and Defective Cranksets s because:

- 10 a. Given the Defendants' role in the design, manufacture, pre-sale  
11 testing, sale, and post-sale monitoring of the Class Bicycles and  
12 Defective Cranksets, and its experience and knowledge as experts  
13 and long-time veterans of the bicycle industry, it possessed  
14 exclusive access to and was in a superior position to know the true  
15 facts about the Class Bicycles and Defective Cranksets;
- 16 b. Given Shimano's design, development, testing and manufacture of  
17 the Defective Cranksets and its experience and knowledge as an  
18 expert and long-time veteran of the bicycle industry, it possessed  
19 exclusive access to and was in a superior position to know the true  
20 facts about the Defective Cranksets, including their component  
21 parts, design, adhesive properties, and other information not known  
22 to Plaintiffs or Class Members;
- 23 c. Defendant knew that the Class Bicycles and Defective Cranksets  
24 gave rise to serious safety concerns for the consumers who  
25 purchased the Class Bicycles and Defective Cranksets;
- 26 d. Given the Crankset Defect's hidden, proprietary, and technical  
27 nature, Plaintiffs and the other Class Members lacked the  
28

sophisticated expertise in bicycle and crankset components and design and technology necessary to discover that the Class Bicycles and Defective Cranksets were defective;

e. Plaintiffs and the Class Members could not reasonably have been expected to learn or discover that the Class Bicycles and Defective Cranksets had a safety defect before purchase;

f. Defendant knew that Plaintiffs and the other Class Members could not reasonably have been expected to learn or discover the defect and the associated repair or replacement costs;

g. Defendant knew that the Class Bicycles and Defective Cranksets, and the defect therein, gave rise to serious safety concerns for consumers who purchased them;

h. The Class Bicycles and Defective Cranksets pose a severe risk of harm in that, among other things, the Defective Cranksets can break during normal use and riding, causing loss of balance and accidents that can lead to severe and potentially fatal injuries;

i. Defendant knew about and investigated the Crankset Defect, but then did not notify consumers about it, disclose the Crankset Defect to CPSC, or further launch a comprehensive recall for all Class Bicycles and Defective Cranksets, which individually and together deprived Plaintiffs of an opportunity that otherwise could have led them to discover the truth about the Crankset Defect in their Class Bicycles and Defective Cranksets;

j. Defendant actively concealed the defect and the associated repair and replacement costs by responding to negative reviews and inquiries without disclosing the defect, asserting that the Class Bicycles and Defective Cranksets were not defective, asserting that

1 non-design factors caused problems with the Defective Cranksets,  
2 and replacing defectively designed Class Bicycles and Defective  
3 Cranksets with identical defectively designed Class Bicycles and  
4 Defective Cranksets; and

5 k. Defendant made, helped to make, or conspired to make partial and  
6 incomplete representations about strength, safety, quality,  
7 durability, dependability and reliability of the Class Bicycles and  
8 Defective Cranksets, while purposefully withholding material facts  
9 about a known safety defect. Because it volunteered to provide  
10 information about the Class Bicycles and Defective Cranksets that it  
11 marketed and offered for sale to consumers, Defendant had the duty  
12 to disclose the whole truth.

13 ~~701.~~718. In breach of its duties, Defendant failed to disclose the Crankset  
14 Defect and that the Class Bicycles and Defective Cranksets were not strong, safety,  
15 high-quality, durable, durable or free of defects to Plaintiffs and the other Class  
16 Members in connection with the sale of the Class Bicycles and Defective Cranksets.

17 ~~702.~~719. The Crankset Defect within the Class Bicycles and Defective  
18 Cranksets is material to the sale of the of the Class Bicycles and Defective Cranksets  
19 because a reasonable person would find it important in purchasing or retaining a new  
20 or used bicycle and because it directly impacts the value of the Class Bicycles and  
21 Defective Cranksets purchased by Plaintiffs and the other Class Members.

22 ~~703.~~720. Defendant intended for Plaintiffs and the other Class Members to  
23 rely on their omissions and concealment—which they did by purchasing the Class  
24 Bicycles and Defective Cranksets at the prices they paid believing that they would not  
25 have a Crankset Defect that would affect the quality, reliability, durability, strength  
26 and safety of the Class Bicycles and Defective Cranksets.

1 ~~704.~~721. Plaintiffs' and Class Members' reliance was reasonable because a  
2 reasonable consumer would not have expected that the Class Bicycles and Defective  
3 Cranksets contained a safety defect that poses such a serious risk. They had no way  
4 of learning the facts that Defendant had concealed or failed to disclose. Plaintiffs and  
5 the other Class Members did not, and could not, unravel Defendant's deception on  
6 their own.

7 ~~705.~~722. Defendant actively concealed and suppressed these material facts,  
8 in whole or in part, to maintain a market for the Class Bicycles and Defective  
9 Cranksets installed in them, and the Defective Cranksets themselves, to protect  
10 profits, and to avoid costly recalls that would expose them to liability for those  
11 expenses and harm the commercial reputations of Defendant and their products. It did  
12 so at the expense of Plaintiffs and the other Class Members.

13 ~~706.~~723. If Defendant had fully and adequately disclosed the Crankset  
14 Defect to consumers, Plaintiffs and the other Class Members would have seen such a  
15 disclosure.

16 ~~707.~~724. Through its omissions and concealment with respect to the  
17 Crankset Defect within the Class Bicycles and Defective Cranksets, Defendant  
18 intended to induce, and did induce, Plaintiffs and the other Class Members to either  
19 purchase a Class Bicycle or a Defective Crankset that they otherwise would not have  
20 purchased, or pay more for than they otherwise would have paid for a Class Bicycle  
21 or Defective Crankset.

22 ~~708.~~725. Had Plaintiffs and the other Class Members known of the Crankset  
23 Defect within the Class Bicycles or Defective Cranksets, they would not have  
24 purchased the Class Bicycles or Defective Cranksets or would have paid less for them.

25 ~~709.~~726. As a direct and proximate result of Defendant's omissions and  
26 concealment, Plaintiffs and other Class Members either overpaid for the Class  
27 Bicycles or Defective Cranksets, or would not have purchased the Class Bicycles or  
28

1 Defective Cranksets at all if the Crankset Defect had been disclosed to them.  
2 Accordingly, Defendant is liable to Plaintiffs and the other Class Members for their  
3 damages in an amount to be proven at trial.

4 ~~710.727.~~ Defendant acted maliciously, oppressively, deliberately, with  
5 intent to defraud; in reckless disregard of the Plaintiffs' and Class Members' rights  
6 and well-being; and to enrich itself. Defendant's misconduct warrants an assessment  
7 of punitive damages, as permitted by law, in an amount sufficient to deter such  
8 conduct in the future, which amount shall be determined according to proof at trial.

9 **F. COUNT XXX: UNJUST ENRICHMENT**

10 (Against Shimano)

11 ~~711.728.~~ Plaintiffs reallege and incorporate by reference each of the  
12 allegations in Paragraphs 1-15~~8~~9, above, as though fully set forth herein.

13 ~~712.729.~~ Plaintiffs Adelman and Kouyate bring this count under New York  
14 law, individually and on behalf of the other members of the New York Subclass  
15 against Shimano for the Defective Cranksets.

16 ~~713.730.~~ For purposes of this count, Plaintiffs Adelman and Kouyate shall  
17 be referred to as "Plaintiffs," and members of the New York Subclass shall be referred  
18 to as "Class Members."

19 ~~714.731.~~ For purposes of this count, Defendant Shimano shall be referred  
20 to as "Defendant."

21 ~~715.732.~~ When they purchased the Class Bicycles or Defective Cranksets,  
22 Plaintiffs and other Class Members conferred a tangible and material economic  
23 benefits on Defendant. Defendant readily accepted and retained the benefits.

24 ~~716.733.~~ Plaintiffs and the other Class Members would not have purchased  
25 the Defective Cranksets or Class Bicycles, or would have paid less for them, had they  
26 known of the Crankset Defect at the time of purchase. Therefore, Defendant profited  
27  
28

1 from the sale of the Defective Cranksets and Class Bicycles to the detriment and  
2 expense of Plaintiffs and the other Class Members.

3 ~~717.~~734. Defendant knew or should have known that the payments rendered  
4 by Plaintiffs and the other Class Members were given with the expectation that the  
5 Class Bicycles and Defective Cranksets would have the qualities, characteristics, and  
6 suitability for use represented and warranted by Defendant. Defendant appreciated the  
7 economic benefits. The benefits were the expected result of Defendant acting in its  
8 own pecuniary interest at the expense of Plaintiffs and the other Class Members.  
9 Defendant knew of the benefits it was receiving because it was aware of the Crankset  
10 Defect in the Class Bicycles and Defective Cranksets, yet it failed to disclose this  
11 knowledge and misled Plaintiffs and the other Class Members regarding the nature  
12 and quality of the Class Bicycles and Defective Cranksets while profiting from its  
13 deception. As such, it would be unjust, inequitable, and unconscionable for Defendant  
14 to retain the benefit of the payments under these circumstances.

15 ~~718.~~735. By its wrongful acts and omissions described herein, including  
16 selling the Class Bicycles and Defective Cranksets which contain the Crankset Defect,  
17 Defendant was unjustly enriched at the expense of Plaintiffs and the other Class  
18 Members.

19 ~~719.~~736. Plaintiffs' and Class Members' detriment and Defendant's  
20 enrichment were related to and flowed from the wrongful conduct challenged in this  
21 Complaint.

22 ~~720.~~737. Defendant has profited from its unlawful, unfair, misleading, and  
23 deceptive practices at the expense of Plaintiffs and the other Class Members. It would  
24 be unjust, inequitable and unconscionable for Defendant to retain the profits, benefits,  
25 and other compensation obtained from its wrongful conduct alleged herein.

26 ~~721.~~738. Defendant has been unjustly enriched in retaining the revenues  
27 derived from Plaintiffs' and Class Members' purchases of Class Bicycles and  
28



1 Defective Cranksets, which retention of such revenues under these circumstances is  
2 unjust and inequitable because Defendant manufactured the Class Bicycles and  
3 Defective Cranksets, and Defendant affirmatively misrepresented and omitted and/or  
4 concealed the nature of the Class Bicycles and Defective Cranksets, and knowingly  
5 marketed and promoted dangerous and Class Bicycles and Defective Cranksets,  
6 which injured Plaintiffs and the other Class Members because they would not have  
7 purchased the Class Bicycles and Defective Cranksets based on the exact  
8 representations if the true facts concerning the Class Bicycles and Defective Cranksets  
9 had been known.

10 ~~722.~~739. Plaintiffs and putative Class Members are entitled to restitution  
11 and to recover from Defendant all amounts wrongfully collected and improperly  
12 retained by Defendant in the amount necessary to return Plaintiffs and the other Class  
13 Members to the position they occupied prior to dealing with Defendants, with such  
14 amounts to be determined at trial.

15 ~~723.~~740. As a direct and proximate result of Defendants' wrongful conduct  
16 and unjust enrichment, Plaintiffs and putative Class Members are entitled to  
17 restitution of, disgorgement of, and/or imposition of a constructive trust upon all  
18 profits, benefits, and other compensation obtained by Defendant for its inequitable  
19 and unlawful conduct.

20 ~~724.~~741. Plaintiffs plead this claim separately as well as in the alternative  
21 to claims for damages under Fed. R. Civ. P. 8(a)(3), because if the Court dismisses  
22 Plaintiffs' claims for damages or enters judgment on them in favor of the Defendant,  
23 Plaintiffs will have no adequate legal remedy.

24 **REQUEST FOR RELIEF**

25 Plaintiffs, individually and on behalf of the other Class members, respectfully  
26 requests that the Court enter judgment in their favor and against Defendants as  
27 follows:  
28

- 1 A. Entering an order certifying the proposed Classes, designating Plaintiffs  
2 as the named representatives of the Classes, designating the undersigned  
3 as Class Counsel, and making such further orders for the protection of  
4 Class Members as the Court deems appropriate under Federal Rule of  
5 Civil Procedure 23;
- 6 B. Directing that Defendants bear the costs of any notice sent to the  
7 Class(es);
- 8 C. Declaring that the Defective Cranksets are defective;
- 9 D. Awarding to Plaintiffs and the other Class Members compensatory,  
10 exemplary, and punitive remedies and damages and statutory penalties,  
11 including interest, in an amount to be proven at trial;
- 12 E. Awarding restitution and other appropriate equitable relief to Plaintiffs  
13 and the other Class Members;
- 14 F. Ordering an award to Plaintiffs and the other Class Members for the  
15 return of the purchase prices of the Defective Cranksets and/or Class  
16 Bicycles with interest from the time it was paid, for the reimbursement  
17 of the reasonable expenses occasioned by the sale, for damages and for  
18 reasonable attorney fees;
- 19 G. Ordering the institution of a Defendant-funded program, using  
20 transparent, consistent, and reasonable protocols, under which out-of-  
21 pocket and loss-of-use expenses and damages claims associated with the  
22 Defective Cranksets and Class Bicycles, can be made and paid, such that  
23 Defendants, not the Class members, absorb the losses and expenses fairly  
24 traceable to the recall of the Defective Cranksets;
- 25 H. Declaring that Defendants must disgorge, for the benefit of Plaintiffs and  
26 the other Class Members, all or part of the ill-gotten profits they received  
27  
28

1 from the sale of the Defective Cranksets and/or Class Bicycles, or make  
2 full restitution to Plaintiffs and the other Class Members;

3 I. Granting an injunction against Defendants enjoining them from  
4 conducting their business(es) through the unlawful, unfair, and  
5 fraudulent acts or practices set forth herein;

6 J. Entering an Order requiring Defendants to fully and adequately disclose  
7 the safety risks associated with the Class Bicycles and Defective  
8 Cranksets to anyone who may still be at risk of buying and using the  
9 Class Bicycles and Defective Cranksets;

10 K. Ordering a jury trial and damages according to proof;

11 L. Awarding attorneys' fees and costs, as allowed by law;

12 M. Awarding of pre-judgment and post-judgment interest, as provided by  
13 law;

14 N. Granting Plaintiffs leave to amend their Complaint to conform to the  
15 evidence produced during discovery and at trial; and

16 O. Ordering such other relief as may be appropriate under the  
17 circumstances.

18 **JURY DEMAND**

19 Plaintiffs demand a trial by jury of all claims in this Complaint so triable.

20  
21 Dated: June 6, 2025

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***Counsel for Plaintiffs and the Proposed Class***

*\*Admitted pro hac vice*